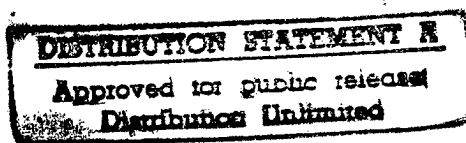




JPRS Report



Soviet Union

International Affairs

19980113 351

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Soviet Union

International Affairs

JPRS-UIA-91-028

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6 December 1991

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Kokoshin on Security Questions for 1990s

92UF0201A Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 2, Feb 91 (Signed to press 23 Apr 91) pp 123-130

[Interview with Andrey Afanasyevich Kokoshin, USSR Academy of Sciences corresponding member and deputy director of the USSR Academy of Sciences Institute of the United States and Canada, conducted by Sergey Vladislavovich Chugrov, candidate of historical sciences and deputy editor in chief of the journal ME I MO, under the rubric "Evaluations and Opinions": "Security in the 1990s: A Breakdown of Stereotypes?"; date, time and place not specified]

[Text]

[Chugrov] From ancient times scholars have tried to anticipate how the world of the future would look. Alas, any system and any instruments have prognostic capabilities only to a certain point and with the appearance of new trends demonstrate their limited nature. For example, G. Kahn and A. Wiener in the book *The Year 2000* suggested an original projection "free of surprises." But after 1967, when their book saw the light, the world took different, untrodden paths which were hidden from human reason even when it went beyond simple linear logic and managed to anticipate the appearance of new trends.

Even if we do not set ourselves the task of looking into the 21st century, can we evaluate the dominant trends of the 1990s fairly accurately? How would you, Andrey Afanasyevich, describe the basic features of the contemporary system of international relations?

[Kokoshin] Among the main trends and characteristics we could single out are first, the rise in the interdependence of states, societies, and peoples; second, the increasing role of economic, scientific-technical, and sociocultural factors in the interactions of states and nations; and third, the increased significance of nontraditional subjects of international relations in the form of various international organizations and transnational corporations.

But the development of all these new factors and trends of international relations by no means signifies that the traditional central power relations are losing their role. The hierarchy of international relations is becoming less rigid and determines the functioning of this system to a lesser degree, but all the same it continues to be preserved, and that includes institutionally, in particular in the form of the UN Security Council with its five permanent members and in the form of regular meetings of the "Big Seven" and of a number of other structures.

[Chugrov] Yes, but certain structures which just a couple of years ago seemed secure are now collapsing before our eyes. To illustrate, the Warsaw Pact Organization. It is still a focus of attention, but more often in connection with the withdrawal of our tanks from the territory of

our "brothers in arms." Too much facade concealed the real foundations of these structures from us. In fact, did we get much from the security standpoint from the fact that the countries of East Europe "allowed" us to assume the burden of defense from the foreign enemy? Our direct losses from economic aid and concessions to allies totaled 16 billion rubles [R] a year, according to Western estimates. What is that—payment for Soviet people to "sleep peacefully" or a propaganda myth?

One of the basic results of the changes in East Europe is a real break with the bipolar structure of international relations. So, bipolarity is collapsing. But what is there to replace it? In the last century and until 1945 multipolarity predominated, but there was one war after another. How do you feel about the thesis of the growing multipolarity of the contemporary system of international relations?

[Kokoshin] This phenomenon was noted by a number of researchers back in the 1960s, when the high degree of concentration of power and influence in the hands of the two superpowers, the USSR and the United States, began to erode somewhat. In particular, as V. P. Lukin observed at one time in the book *Tsentry sily* [*Centers of Power*], France headed by President De Gaulle actively and effectively took advantage of the concept of multipolarity. Kissinger and Nixon promoted this idea in the first half of the 1970s, speaking of the five poles of power and influence instead of the two which had characterized the system of international relations after 1945. However, later it once again became secondary, especially in the period of the new build-up of tension in international relations when their military-political characteristics, according to which the predominance of the USSR and the United States over all other active figures in world politics proved to be absolute as before, were manifested more sharply. But bipolarity had its positive features, as many specialists believe—it was much more predictable.

[Chugrov] But obviously the attractiveness of the poles will now be different than it used to be. New centers of power are coming to the forefront; for example, in the not too distant future a united Europe which will gradually expand to the Prut and the Bug and then even further to the east may be a dominant center. It seems that in a fundamentally new way Japan is preparing to announce its rights to the title of "great power."

[Kokoshin] A new cycle of development of this multipolarity is now beginning given the activation of those factors which I already spoke of, above all under the influence of the lessening tension in Soviet-American relations and, correspondingly, immediately, almost automatically, the rising role of economic factors. A new factor of multipolarity is the clear deterioration of the international positions of the Soviet Union, which now even faces the threat of disintegration.

At the same time, however, as in the 1970s the constellation of the main centers of power is still not uniform. West Europe, despite all the latest trends of its political

integration, still is not yet as unified a political force as is, for example, the United States. And obviously, no matter what progress is made in political and economic integration, and even if a united armed forces of the European Community is formed, this subject of international relations will never reach the level of concentration of political power and influence of the United States of America, which is in reality more of a unitary state than a federation.

Japan lags substantially behind the United States in terms of military might, although it is approaching the United States in terms of economic power after having made, in particular, a sharp leap in the last 5-7 years to reach a new level of financial might. In addition, Japan does not have an ideology which is attractive to a substantial part of the international community and which to some degree or another might be universal in nature. In this regard it lags substantially behind not only the United States but also West Europe or the Soviet Union of the post-war years.

So as a result a very unique multipolarity is taking shape which differs, for example, from the system which existed between the two world wars or in the period between the Vienna Congress of 1815 and World War I of 1914-1918, when each of the great powers, despite all the differences among them, had all the attributes of power and influence inherent to a sovereign state.

[Chugrov] Unified Germany may be called a potential superpower.

[Kokoshin] There are a number of reasons for this. The FRG, for example, surpasses the United States in terms of volume of foreign trade. It has financial power which clearly surpasses the power of any other European state. However, its territory, resources, and military-political status also prevent it from making claims to the role of global superpower in the foreseeable future. But Germany continues to have the potential to dominate in a number of European subregions. In addition, Germany is joining a larger element of international relations, the European Community.

[Chugrov] The end of the "Cold War" posed the task of creating new structures and determining priorities for our main rival, the United States, too. I will cite as proof a couple statements from fairly authoritative American experts. Senator Daniel Moynihan in the NEW YORK REVIEW asks with genuine Hamlet-like intonation: "How should we now demobilize? How can we change from a national security state to a government which simply asks what our interests abroad and our needs within the country are and calmly and openly tries to satisfy them?" Theodore Sorensen, a former advisor to President John Kennedy, writes in FOREIGN AFFAIRS: "The main threat which was alluded to for more than 40 years to justify a large part of our defense budget, bases, and aid to foreign states no longer exists." And he warns: "If the President cannot soon outline a road to consensus among our national security strategists

based on new goals which merit confidence and should be the foundation of our long-term foreign policy and military planning, the vacuum which has now emerged in the strategic area will in all probability be filled not only inconsistently but unwisely."

Taking into account that the search is on for a "new role," is the popular idea that the United States of America remains the only superpower given the growing multipolarity correct?

[Kokoshin] I think that there is some basis for this point of view. However, the United States, which remains a clear leader of the Western world for the foreseeable future, at least until the middle of the last decade of the 20th century, will be able to fulfill this role only with the significant reservation that it looks more and more to its leading partners in the capitalist world as well as to the Soviet Union and other countries. Moreover, it cannot fulfill this role without relying on the resources of the two other leading centers of power of the capitalist world, Japan and West Europe.

The new disposition of forces in the world was clearly manifested during the conflict in the Persian Gulf, which flared up as a result of the Iraqi aggression against Kuwait. The United States showed the greatest resolve of all Western countries in the opposition to Iraq and assumed the initiative on this issue and sent the largest contingent of armed forces there. But it turned out that the Americans were unable to pay in full for their stay there themselves. They were compelled to turn not only to the Arab countries for financial support but also to the European Community, above all to the FRG, which after some hesitation met them halfway and provided a significant share of the allocations.

Nor could the United States do without the Soviet Union, owing to our geographic position which permits the Soviet Union under any possible development of events to be an influential state in the Persian Gulf region.

[Chugrov] But it was precisely the possibility of being involved in these events which caused the stormy protests in the RSFSR Congress of People's Deputies and the Fourth USSR Congress of People's Deputies, and disputes and mutual accusations spilled over onto the pages of newspapers. E. A. Shevardnadze had to listen to many unfair accusations and at times even malicious attacks on that score, and that was one of the reasons for his unexpected announcement on 20 December 1990 of his decision to retire. I think that this step was a kind of culmination of the debate in our society on the new priorities in security policy and our country's geopolitical weight. It also has a direct relationship to the debates on the army's role in society, during which some deputies struck blows from the right against the USSR leadership's policies.

If all emotional nuances are wrung out, remaining in the "dry residue" is the accusation against the Soviet leadership that its foreign and domestic policy courses are

having a destructive influence on our country's security. Of course, the deputies have the right to their own opinions on who is undermining our country's positions and the might of its army and how. However, in my opinion this type of statement undermines the authority of the power and the army more than any enemy.

But this debate has its positive side too: it has focused society's attention on the fact that a state's security is not something which can be experimented with foolishly and carelessly. Any liberties taken may cost too much. Politicians, and military men, and scientists use the term "security" readily, and at times without reason. But do they all invest the same meaning into it? Do not departmental ambitions and emotional rhetoric screen the real significance of this term?

It would seem that everything is simple if you look at the underlying meaning of the Russian word "security"—it is the condition "without danger." But one gets the sense that the greatest threat to our country's security is from within. The greatest danger to the survival of the state structures comes from the disintegration which threatens. And for reasons which are by no means of an external nature.

Life forces us to expand the sphere of phenomena which are included in this concept. I think that the phrase "economic security" could not even come into the mind of a person of the last century. However, on the level of daily consciousness notions of security are still not adequate to that avalanche of problems which might overwhelm humankind even by the end of this millennium. Strictly speaking, which is fraught with greater danger—NATO or AIDS? The answer is in my opinion clear. So it is necessary to diverge from purely military terminology and try to give the broadest possible definition of security. You were one of the pioneers in our country in developing a new concept of the USSR's national security. What is the essence of the new approach?

[Kokoshin] In developing a new concept of national security for the Soviet Union, my colleagues and I tried to keep clear of both changes in the system of international relations and in its character, and the needs of our society and state. There are few people now who doubt that there was an extreme distortion toward the military aspect in the understanding of national security, patriotism, and so on. This was reflected not only on the level of military expenditures, but also in many other characteristics of foreign and domestic policy. Strictly speaking our "command-administrative system" was to a significant degree based on the idea of dominant militarization of international relations, almost permanent preparation for war and repulsion of aggression, and the like.

[Chugrov] But first let us look at the new foundations of our country's security which people have begun to talk of only recently. A simplified, ideologically adjusted picture of the world left no room for recognition of the threat of, figuratively speaking, "technological death,"

that is, the impossibility of competing with the West in a number of very important indicators.

[Kokoshin] Our proposals, which were formulated in a number of works in 1988-1990, involved the idea that security is determined not only by military factors, but by economic, scientific-technical, ecological, and even sociocultural factors as well and that the USSR's economic backwardness in relation to the developed countries of the West is no less a threat than the military threat, and, perhaps, an even greater one if we start from the idea that given the high level of nuclear confrontation large-scale aggression against the USSR seems very unrealistic.

We carefully studied the purely military threats to the USSR's national security after analyzing different conceivable and inconceivable types of wars and drew the conclusion that a large part of our state's defense efforts were until recently oriented to preparing for those types which were least probable. This not only depleted our resources, but also makes us unprepared for those international conflicts where, as an extreme measure, the Armed Forces really would have to be used in protecting our fundamental interests of security.

The development of these issues was and continues to be conducted by a group of scientists and specialists, including highly qualified military men, defense industry representatives, historians, political scientists, and economists. The new evaluation of the threats to national security is one of the cornerstones for reviewing policy in the field of development of the Armed Forces and policy in carrying out military reform and developing new views on mobilization measures.

[Chugrov] There is no shortage today of radical proposals to reform the Soviet Armed Forces. It is clear that the time for decisive steps has come. What, in your opinion, are the basic parameters of the coming reform if one starts from those characteristics of security which you outlined?

[Kokoshin] In dealing with the topic of military reform, among other things we must not forget about the very rich historical experience in carrying out this type of reform both in our country and abroad. For us, among others, the reforms of D. A. Milyutin, as well as those of G. A. Potemkin and Peter the Great, seem of the greatest interest. Of course, one of the main components of military reform is a system of recruitment for the Armed Forces. And today the hottest debates concern this issue.

[Chugrov] Unfortunately, for our army, as, incidentally, for most economic structures, emphasis on building up quantitative parameters is more characteristic. I am not going to cite figures here: they are well known from the statements in the press of Academician G. A. Arbatov, Doctor of Economic Sciences S. Ye. Blagovolin, and many other specialists. The old stereotype is still working smoothly: the more extensive the military machine, the more reliable it is. But we naturally cannot afford the price.

Undoubtedly, we have to have a fairly powerful Armed Forces, taking into account the important role of the military factor in politics. But is it not time to conduct a fundamental review of the characteristics of our army?

Some conservatives have formed a bloc with the "patriots" and have come to the point of accusing certain secret forces of wanting to demolish the army altogether. But I have always believed and I do believe that patriotism and loyalty to duty are the strong side of our Armed Forces. People are trying to accuse the advocates of radical reform of unseemly intentions to replace the basic principles, for what purposes I certainly do not know. I do not believe that any of the advocates of reform doubt that patriotism is the moral foundation of the army. It has traditions and historical experience. But if the old system is revealing its flaws, a persistent need is ripening to change to a professional army.

Our task is not to get into the advantages of a particular principle of recruitment for the Armed Forces: the disputing sides have already repeatedly stated their arguments. In any case, and we hope you agree with us, military reform is dictated by the conditions of moving to a market economy. Not one country with a normal market economy can carry the burden of military expenditures dictated by the psychology of a "besieged fortress" for such a long time and not end up on the verge of economic catastrophe.

[Kokoshin] Military reform cannot be reduced to the problem of recruitment. It presupposes other elements as well, specifically: a system of administrative-command division, a system for training all levels of cadres, military justice, and an altogether internal system for managing the daily life of the Armed Forces and regulating it on the basis of regulations, statutes, and so on. In addition to this is the question of a system for purchasing arms and military equipment, which plays a much more significant role today than in the 19th and 18th centuries.

[Chugrov] What do you see as the role of nuclear weapons in guaranteeing our country's defense?

[Kokoshin] We definitely remain a superpower in the nuclear sense; in terms of that parameter no one as yet can be compared with us and with the United States of America. The fact that it is difficult to use the existence of such a colossal nuclear arsenal as a direct instrument of politics is another matter.

Nuclear weapons continue to be a very important status factor for us, although this also has a significant negative effect. The idea of nuclear disarmament on the general and long-term levels is the right idea. But its forward movement has encountered enormous difficulties, and that includes in our country too. Today a real prospect exists that the further weakening of the central authority in the USSR and the fragmentation of the Soviet Union may obstruct the process of negotiations on nuclear arms limitation and reduction.

I must say that we have traditionally taken a slightly hypocritical stand toward the role of nuclear weapons as an instrument of politics. The Soviet Union has repeatedly resorted to the threat of employing nuclear weapons in various conflicts and crisis situations, although we have still done this less often than the United States, and not so sharply and openly either. Today we need our own domestic theory of nuclear restraint and theory of the role of nuclear weapons in the contemporary system of international relations.

[Chugrov] A broad area for applying the talents and efforts of our scientists opens up here, it seems to me. Despite the fact that the basic priorities have been replaced, a pyramid of old conceptions, prejudices, stereotypes, and instructions and explanations for them remains as before. The old system of treaties, obligations, and promises is operating. Many of them were already outdated long ago and at times seem savage and contradictory to our conceptual foundations.

Obviously, one of the priority tasks connected with the new understanding of national interests and security is a difficult but vitally necessary revision of our view of the "Third World." The present ideologically pragmatic "push and pull" with depressing obstinacy forces us to mark time: new foreign policy principles are combining in some fantastic way with the inertia of the old ideas about national liberation movements as an ally of world socialism and a very important part of the world revolutionary process.

Despite certain advances in priorities, it is not simple to repair an omission. So politicians are getting headaches trying to figure out how to curb the processes which threaten to shoot out of control. They include regional conflicts and the problem of horizontal proliferation of nuclear weapons. I think that it is precisely the danger of weapons of mass destruction and missile technology spreading ominously throughout the planet which may be not so much a touchstone on which the new model of interrelations between the East and the West will be tried, but a catalyst for the formation of new structures of security and cooperation as a unique type of counterbalance to zones of intensified military danger in a number of regions of the "Third World," above all in the Near and Middle East. As pure speculation it can be assumed that the spread of nuclear weapons would result in the creation of a new bipolarity, but in a different configuration—along North-South lines.

[Kokoshin] Today we unfortunately face the threat of the collapse of the system of nonproliferation of nuclear weapons and their appearance in the hands of some states which are in conflict with one another. The danger of the use of nuclear weapons in crisis situations seems more significant to me in the 1990s than in the 1980s, although the Chernobyl syndrome will play a certain restraining role which did not exist before this tragedy.

It is not even so much particular operational military or military-political considerations as status features which

encourage one state or another to obtain its own nuclear weapons. That, in particular, was typical in France, in Great Britain, and in China when decisions were made in those places to create their own nuclear forces. We obviously must constantly be careful to ensure that, on the one hand, the significance of nuclear weapons as a status feature declines in the system of international relations, and, on the other, the price for joining the nuclear club remains very high and that any state which would take up such a path understands this aspect very well.

I once heard from one of the highly placed officials of the Washington administration (before he took his present post) that in the foreseeable future the USSR and the United States should not go below 3-4,000 warheads. He substantiated this argument by saying that otherwise the temptation to join the nuclear club would be significantly greater for a number of "threshold" states. If the superpowers turn out to have 100-200 warheads apiece, having several dozen warheads will seem like roughly equal position, equal status. But if the superpowers maintain their substantial lead in terms of nuclear might, the status role of 20-30 or even 100 warheads will remain relatively low. I think we should listen to this logic.

[Chugrov] In fact, we now have the basic conditions to evaluate the threat to national security correctly: renunciation of unjustified secrecy, the latest achievements of science and technology in the intelligence service, and a large staff of analytical specialists. So what prevents a true and considered evaluation of military danger?

[Kokoshin] One of the central questions for us now is the reliability of monitoring all nuclear weapons, from tactical to strategic ones. As for secrecy, I will say that for now even our public is not altogether informed on the monitoring issue and must rely on the assurances of the military. Unlike what is happening in the United States and England, and to a lesser degree in France, in our country, as in China, all nuclear issues are surrounded by a global curtain of secrecy. Today, when the danger of a war erupting between the USSR and the United States or between the USSR and Western countries has been substantially reduced and when even the threat of our country being drawn into a nuclear war through the escalation of one crisis situation or another has lessened, the question of the unattainability of nuclear weapons for any of the terrorist groups capable of carrying out unsanctioned launches is becoming much more urgent. Here we need a great deal of work, which naturally complicates the state of affairs now taking shape in our country.

The disintegration of the Soviet Union and the emergence of republics at odds with one another and able to lay claim to taking over certain types of nuclear weapons as a result of the "division of property" of the USSR Armed Forces would, of course, represent a very great danger. In connection with this, among other things, ideas of concentrating all nuclear arms on the territory of

Russia, which then would become the legal successor of the USSR in the international community, are beginning to circulate.

[Chugrov] Obviously the problem of the "division" or "bit-by-bit dismemberment" of nuclear weapons by republics is closely related to the interpretation of the concept of "sovereignty." The declaration and waging of war is the sovereign right of every state. But in the late 20th century it has already become clear that using force and nuclear blackmail as instruments to perform political tasks, even if it does bring results on the strictly regional level, is in any case fraught with too great a risk of escalation. A kind of "numbing" of one of the most important functions of a sovereign state occurs, which makes us look more closely at the problem of sovereignty.

[Kokoshin] The idea of the national sovereignty of a state was formed as a dominant norm of international law as a result of the conclusion of the Peace of Westphalia, which ended the 30-Years War in Europe in 1648. According to the logic of the Peace of Westphalia, an international system is formed exclusively by the governments of sovereign states. These states have absolute power and control over the corresponding "national space" (territory) and may conclude agreements with any other states at their own discretion; formally all states, regardless of their size, were declared equal from the legal point of view.

[Chugrov] But this may be considered an important achievement only for that era and only from the standpoint of formalization of international relations. A surprising parallel may be drawn between 1648 and 1990: at that time the German princes were given the rights of sovereign rulers. This "mosaic character" of Germany in fact meant reinforcement of its division of political power into tiny units. Last year the most recent version of the division of Germany came to an end.

The exact opposite processes of "sovereignization" are underway in the East. Will this "parade of sovereignties" not lead to a new "Peace of Westphalia" and to overcome it more than one change in generations will be needed? Even so, as world practice shows, most contemporary large states are strong (with individual exceptions) multinational formations. And they were shaped, if you are speaking of Europe, not as a result of the 30-Years War, but later.

[Kokoshin] The formation of the foundations of contemporary sovereign states coincided in time with the end of the Dutch Bourgeois Revolution, which merged with the struggle for national independence against the Hapsburg-Spanish yoke, and the English Bourgeois Revolution. They were possible to a significant degree because a civil society was very developed in the Netherlands and England and it was not trampled on by the state institutions.

The bourgeois revolutions consolidated and formalized the idea of a nation, a nation state, and finally national

interest. I think that this was manifested in its most powerful form later, during the Great French Revolution ("The nation is in danger!). Other processes dominate in Europe today. Obviously, the concept of "sovereignty" must be substantially refined.

[Chugrov] It is difficult not to agree with that. And since you mentioned the Great French Revolution, I can cite your thesis of the sudden change in the self-consciousness of the inhabitants of Bretagne, which played a notable opposition role during the revolutionary events, as an illustration. Before 1789 the population of this province unequivocally considered themselves not Frenchmen, but specifically Bretons. On this score we have the opinion of T. Zeldin, a recognized authority in the field of the national psychology of the French. "Some of them are convinced," this Oxford professor writes, meaning the Bretons, "that if the federalists had not been defeated in 1789, France would have become a federative state, and Bretagne, like Texas and California, would have retained its independence." In fact, there are no unequivocal arguments for Bretagne belonging to France. Nonetheless, since the time of Robespierre there have been no major manifestations of particularism on the part of the Bretons and there have been no powerful movements for autonomy.

It seems to me that this digression into the history of the formation of sovereignties is useful, although on the whole the problem needs serious study. Of course, the example of France and other industrial countries is not instructive for this turbulent world where disintegration trends which threaten to turn states which until recent times were stable into "patchwork quilts" are gathering strength. We also talked of the threat these processes represent to the security of the Soviet Union. However, the epidemic of "sovereignization" and the craving for secession and the growth in local nationalism are clearly evident in the countries of East Europe and the "Third World." All this puts the "sovereign conflict" onto the practical level of the problem of guaranteeing security on the planet.

[Kokoshin] The process of formation of nation states with all the attributes of statehood, which the European countries (and even a number of Asian ones too) acquired 200, 300, and even 500 years ago, is to a significant degree a source of the conflicts in the "Third World" zone. In many cases this is happening with no civil society in the developing countries at all. The historical advantage of new states is that they have someone to borrow models from for their own statehood and their own political system. In form they are all variations of the European model (and that includes such ancient countries with a wealth of national traditions of statehood as India and China).

[Chugrov] But if the "Third World" is fated to go through excesses and strife to come to a real consolidation of national states, then the Western world, it seems,

is gradually approaching the opposite phase, the shattering of the state institutional structures of a civil society. But apparently stability does not suffer from this.

[Kokoshin] Antistatism, antimilitarism, and antisocialism are becoming stronger in Western countries (A. Ye. Bobin and V. P. Lukin justifiably mention this). It is precisely here that the role of mass social movements is increasing. This phenomenon is not observed in the developing countries zone. On the whole "the transfer of elements of a civil society to international relations" (V. P. Lukin) is occurring only in developed countries, which make up a clear minority of humankind.

But again the role of military force in the developing countries zone is at the very least not diminishing, while militarism and militarization of society are, on the whole, increasing.

Nationalism, chauvinism, separatism, and secessionism are for the most part the "growing pains" of the interdependence of countries and peoples and sociums. National exclusiveness is very comfortable for many people in the face of the growing complexity and multifacetedness of contemporary international relations, and even of civilization as a whole.

[Chugrov] So then, what you have said once more emphasizes the durability of existing stereotypes, those unique mileposts of mass consciousness in a multifaceted world. Yes, stereotypes are comfortable, but it is a false comfort and we must get rid of it in order to see an adequate picture of the world. I think that we must be most persistent to eliminate those stereotypes which involve the problem of security. Relying on deterrence, which gives us a "period of guaranteed security," we should rid ourselves of relapses into the "besieged fortress" psychology and gradually prepare to create joint security structures. The visit to Moscow, unthinkable before, of the general secretary of NATO, the signing of the joint declaration of the Warsaw Pact Organization and NATO, the construction of an all-European home, and the general change in the political climate in the world attest to the idea that another millennium is already beginning "outside." A millennium of resolving the global problems of contemporary times by the joint efforts of humankind.

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UNESCO Reforms, Objectives Examined

91UF0215A Moscow IZVESTIYA in Russian 9 Nov 91
Union Edition p 5

[Article by IZVESTIYA Correspondent Yu. Kovalenko, Paris: "The USSR Is not Paying and the United States Is not Returning: The UNESCO General Conference Session in Paris Has Ended"]

[Text] Having put an end to fruitless ideological strife and political confrontation that was conducted for many long years within its walls, UNESCO is setting forth as one of its new priorities protection and assistance of the formation of democracy. At the same time, UNESCO is attempting to become the international community's genuine intellectual center.

While conducting reform, the organization is gradually changing the emphases of its traditional spheres of activity—education, science, culture, and information. One more direction—the environment—is being added to them. While continuing to render significant assistance to 3rd World countries, it is increasingly attempting to proceed based on the global interests of all regions.

These are the main results of the UNESCO General Conference session that was recently completed in Paris. This year UNESCO marked its 45th Anniversary and it now numbers 162 member-states.

A number of very important decisions have been aimed at increasing UNESCO's effectiveness. In accordance with the amendment made to its charter, members of the Executive Council—the organization's key mechanism—will be elected not as individuals (as it has been done until now) but as representatives of member-states. Furthermore, a financial-administrative group is being created to carry out monitoring of the secretariat's activities between Executive Council sessions. Finally, they have decided to form an "intellectual forum," consisting of prominent political figures and science and cultural figures, which will be the generator of ideas for UNESCO.

Thus, the organization's member-states intend to more actively determine its policy and to reduce to a certain degree the role of the secretariat which until now has largely determined the program of its activities. As for UNESCO's low effectiveness which has become the talk of the town, as was stressed at the General Conference, it has been primarily tied to the ineffective participation of the member-states in its work.

Henceforth UNESCO, as the conservative Swiss newspaper NEUE ZUERCHER ZEITUNG wrote recently, is beginning serious reform. But, according to the majority of observers, UNESCO can only really be overhauled and achieve a real increase of its "output" only with the participation of the United States and Great Britain—and not so much with intellectual as with financial participation. Let us call a spade a spade: without the American contribution to the organization's budget, which will be reduced during the next two years for nearly the first time in its history, it will not solve its problems and will not emerge from the crisis.

All the more so since the current main "payer" into UNESCO—the Soviet Union—has not yet eliminated its debt and it is not known when it will be able to do this. Therefore, the "movement for the return of the United States" has intensified among member-states. France,

Japan, and Italy sent appeals to Washington during the General Conference. General Director F. Major, in turn, repeatedly stressed that all the reasons that compelled the United States to withdraw from the organization seven years ago have been eliminated.

However, for now the Americans are in no hurry and they want to see how the announced reforms will be implemented. Meanwhile, the Americans continue to participate in those UNESCO programs which most interest them.

For now, UNESCO, which primarily concentrated its activities in the 3rd World in the past, is beginning to become increasingly involved with all regions and especially with the Eastern European region and first of all with issues of establishing and developing democracy.

UNESCO has developed a series of programs which one can call a "school of democracy." An inter-branch group has been formed for support of democratic processes and structures in the Eastern European countries. I will note that a project for the study of Slavic cultures has once again been included in the organization's program. Finally, more than \$2 million has been collected within the framework of the "UNESCO-Chernobyl" program.

The sovereign states that exist on our territory are actively involved in the UN structures and in its specialized institutions, specifically UNESCO. Committees and commissions on UNESCO affairs have been established in many of these countries. Bypassing the center, they want to directly develop relations with this organization. But UNESCO itself prefers to do business with us as a single country as before.

KAL Findings of U.S. Researchers Reported

92UF0247A Moscow IZVESTIYA in Russian 21 Nov 91
Union Edition p 6

[Report by A. Illesh and IZVESTIYA special correspondent A. Shalnev: "Boeing-747's Pilots Were Not Blind, and Operators of American Military Radars Were Not Naive"]

[Text] New York-Moscow—"The South Korean Boeing-747 on route from Anchorage to Seoul on the night of 1 September 1983 found itself in the Soviet air space—first over Kamchatka and then over Sakhalin—not by accident and not because of some malfunction in the flight control computer system. It ended up there because that was the way its flight had been programmed." American researchers Robert Allardise and James Hollin [as transliterated] are convinced of this. Just published is an extensive report on the work conducted by these two experts practically from the moment the KAL-007 was shot down by a Soviet Su-15 interceptor.

Analysis of an immense volume of information permitted them to reconstruct—practically by the minute—the tragic flight, and to come to a conclusion: The

aircraft's navigational systems had been functioning absolutely normally. They carried out precisely the commands programmed into them before the Boeing left Anchorage.

Having reached this conclusion, the researchers also reach another one that logically follows from the first: The way the Boeing "behaved" in flight "was designed to deceive—and in fact did deceive the Soviet air defense forces over Kamchatka and Sakhalin." Here is where Allardise and Hollin put a stop: They are not ready—at least publicly—to declare that for all appearances the South Korean Boeing was carrying out a specific mission for intelligence services—either Korean, or American, or both simultaneously. (Actually, the IZVESTIYA investigation in the USSR also did not discover any absolutely unassailable facts that would prove the Boeing was on an intelligence mission). The most important compromising point is the fact that the Boeing was permitted, for almost half an hour, to stay in the so-called buffer zone—on the border between the U.S. and Soviet air space.

In one of the previous items of our investigation, we quoted a U.S. Air Force document regarding the maintenance of the flight regime in the buffer zone. That document, received by IZVESTIYA from American sources, clearly showed that the U.S. military radar operators had to notice the Boeing that had veered there clearly in deviation from the normal route between Anchorage and Seoul, and had to warn it about the deviation.

This had not been done, as Allardise and Hollin emphasize in analyzing a number of other documents related to the buffer zone. To the question "Why did the United States not warn the crew of the KAL-007 of the deviation?" the researchers answer: "There was no need for that; the KAL-007 crew understood where the aircraft was and where it was going, while the guardians of the Alaskan air space, knowing that, let it continue the flight.

Referring to a number of documents they had been able to peruse—in particular, "Information of the United States Government on Flight Regulations in the Alaska Region," the authors of the report write: "Even U.S. Air Force interceptors cannot be in the buffer zone without advance permission. Everything that flies there is tracked; the aircraft must maintain constant radio contact with the U.S. Air Force radar operators. All aircraft that cannot do this, for example, because of radio equipment malfunction, must leave the zone; otherwise, they would be intercepted and either forced to land or destroyed."

Both the flight through the buffer zone and the entire flight from Anchorage presented, from the researchers' point of view, a full range of violations of rules and regulations issued by the International Civil Aviation Organization (ICAO) and the Federal Aviation Administration of the United States—among others, regulations regarding flight speed and altitude.

In the last flight segment, during the last 20 minutes of flight, truly amazing things were happening: KAL-007 changed its flight level several times, descending from 33,000 feet altitude to 32,000, then to 29,000, then climbing up to 32,000, and then again sliding down to 30,000. According to available documentary evidence the researchers used, the KAL-007 crew at that time was not receiving any official permission to change altitude. Without official permission, it had no right to change the flight level—especially so often. Why would the crew commit such violations? Perhaps, in order to (there is such a version) shake off Soviet fighter-interceptors that were already sitting on its tail? Allardise and Hollin do not draw an unambiguous conclusion in this respect.

One more significant point in the research: Already damaged by Osipovich's missiles, but still in radio contact with the flight controllers in Tokyo, the KAL-007 crew never sent out a "Mayday"—an SOS—signal. "Why," ask the researchers, "did the aircraft, off its course, severely damaged, in a situation of extreme emergency, not send out this signal? And if it was an aircraft on an intelligence mission, why did it still not send out a signal—after all, it would have helped to provide the cover of an 'innocent stray'?"

"We do not have answers to these questions," write the researchers, "but one thing is clear: a Mayday signal contains not only the word 'Mayday' repeated three times, but also the aircraft call sign, and the information on its altitude and whereabouts. In addition, it is required that the crew switch their radio transmitter to Code 7700. A signal sent in this mode appears so clearly on the radars of ground stations that it is impossible not to notice it."

One cannot help but notice that this research, as well as all other that appeared abroad during the past 10 months, contains frequent and extensive references to materials collected by IZVESTIYA staff, and quoted from our newspaper investigation of the Boeing mystery. IZVESTIYA appears in the world press as an authoritative source of information on the fate of the KAL-007. For objectivity's sake it should be noted that the report authors also pinpoint certain contradictions and incongruities in our materials. Their remarks are related first and foremost to the fate of the "black boxes." It could not escape the attention of such a specialist as Robert Allardise—who had flown more than 6,000 hours on a Boeing-747—that, for instance, different participants in the expedition searching for KAL-007 debris provide different information on the outward appearance of the "black boxes" and their number. This, in the author's opinion, leads one to believe that there is no ironclad evidence that the "boxes" were found...

Let us remark right away: Contradictory data on the "black boxes" is explained rather easily if one understands the Soviet specificity of "supersecrecy." The meaning of the expedition was, alas, not to find the remains of 269 perished innocent people, but to beat the Americans in the search for two electronic devices at the

bottom of the Tatarskiy Proliv—those “black boxes” whose contents either side could then easily use in its own interest. At that time—in the nervous fall of 1983—the participants themselves did not know very well exactly what they were looking for. Special services provided absolutely precise information to only a very limited number of people, and then made those who had witnessed the recovery of these “boxes” (as well as those who had participated in delivering them to Moscow) sign special nondisclosure agreements. It appears that these agreements are still valid today. In any case, what is at work here is this familiar feeling of shyness—to put it mildly—every one of us gets when we hear the initials KGB. Thus, a certain confusion persists—how many “boxes” were there and how did they look? Actually, recently IZVESTIYA had reason to believe that there could be a real chance (let us hope!) of finding out the truth—of getting access to the “boxes.”

As for us, the Americans’ research once again convinced us: No matter how independent experts in Russia, in the United States, in Japan, or in South Korea may try, the

mystery of KAL-007 will remain a mystery until official representatives of these countries provide clear, truthful information on exactly what happened on that tragic night. Truly, only by joint efforts, after all the documents in the possession of the secret services of four countries are declassified, and with the participation of independent experts working with these documents, will one be able to firmly state: The mystery of the Korean Boeing no longer exists. This most important day is still far away, though.

...In a personal conversation, J. Hollin said that he and R. Allardise had sent their report to Capitol Hill—to Senators Bradley, Kennedy, Levin, and Nunn, who are showing particular interest in the events over Sakhalin. There is hope that this report will prompt the senators to start a special congressional investigation. Once started, it can request all the needed materials from respective federal agencies. Including top secret ones.

So far, the USSR is not planning such a parliamentary action.

President of New East European Trade Organization Profiles Market

92UF0263 Moscow *RABOCHAYA TRIBUNA*
in Russian 22 Nov 91 p 3

[Interview with L. Cheshinskiy, President of Vest, date not given: "Regional Market of Countries of East Europe and Asia"]

[Text] Entrepreneurs and business executives, economists and politicians are proposing recreation of the regional market of countries of East Europe and Asia on a new basis. A realistic step toward that goal is Vest, an international organization of East European cooperation and trade. The president of Vest, Leonid Cheshinskiy, chairman of the Grain Products Committee of Russia, representative of the president of the RSFSR, talks about it. About our interlocutor. He began his working life at 15. He rose through the ranks in the branch—from an electrician to minister of procurement. At present he heads a republic committee. He works in Vest as a public service.

[Andriyanov] Please introduce Vest to the readers of *RABOCHAYA GAZETA*.

[Cheshinskiy] It is an international nongovernmental organization with its own commercial structures—the East European Stock Market (VEB), the International Clearing Bank and various firms. Its founders include a scientific research union, the RSFSR Ministry of Procurement, the Konversbank, the "Gukovugol" Consumers' Society, the "Don" nongovernmental organization, the Czechoslovak-Soviet Chamber of Commerce, Hungarian and Polish firms, the Soviet-Italian "InterV-ladles" Consumer Union, as well as a number of individuals. Insofar as I know it is the only organization which sets as its goal the restoration of destroyed economic ties of countries formerly unified through CEMA.

[Andriyanov] Recently *RABOCHAYA GAZETA* wrote about preparations on the initiative of E. Shevardnadze and P. Bunich for the conference "For a Regional Market of East European and Asian Countries."

[Cheshinskiy] Yes, I attended the meeting which discussed the preparation of that conference. Everything indicates that an eastern market is really necessary...

[Andriyanov] And you moved from words to action...

[Cheshinskiy] A large group of entrepreneurial and economic structures of Russia, Bulgaria, Poland, Czechoslovakia, Kazakhstan, and the Ukraine decided to recognize the "foreign currency certificate" introduced by the International Clearing Bank as a universal unit in mutual accounting in the course of commodity exchange between all members of Vest and on that basis begin to restore the destroyed ties.

[Andriyanov] The foreign currency certificate?

[Cheshinskiy] It is a nongovernmental standard unit. At first the foreign currency certificate will circulate only by book entry. It is secured by the entire aggregate of commodities and services represented on the Vest market. The exchange rate of the foreign currency certificate with relation to other currencies, just as prices on the Vest market, is determined by free market relations. Inasmuch as regulation by directive and mandatory emission do not extend to these certificates, they can have the trust of business circles.

The organizational period has now been completed and practical activity is starting.

[Andriyanov] Doesn't the specter of CEMA haunt you and the partners?

[Cheshinskiy] No. It is a nongovernmental organization and everyone is interested in trade and cooperation. Both the new sovereign states as well as Britain, Italy, the USA. Countries and people are all interested. I am too, as minister, as chairman of the republic grain products committee.

Our country purchased about five million tons of grain annually in East Europe. Now we have lost it. We are shipping it from America and Canada and paying 22-25 dollars per ton for delivery alone.

Here is another example. Czechoslovak, Hungarian, and Yugoslav plants were delivering equipment for our food industry. An entire industry was created over there but at present there is nothing to settle accounts with—there is no currency.

A Yugoslav entrepreneur visited us, we felt very sorry for him. He supplied us with bread-baking ovens and went bankrupt. Several thousand people lost their jobs because we were unable to purchase his products worth nine million dollars.

We hope that the activities of Vest will help to prevent the bankruptcy of many enterprises involved in cooperative deliveries and will form a unified economic area both within the country and in the sphere of activity formerly encompassed by CEMA

Import-Export Regulations, Product Quotas

92UF0188A Moscow *EKONOMIKA I ZHIZN*
in Russian No 35, Aug 91 p 11

[Article by V. Oreshkin, head of sector, USSR VNIKO MVES, candidate of economic sciences: "System for Licensing Export and Import"]

[Text] The registration of an enterprise as a participant in VES [foreign economic relations] is only the first step toward the foreign market, only the legalization of the right to participate in it. The next step, which the overwhelming majority of Soviet exporters and a limited number of importers should make, is to obtain licensing (permission) to carry out foreign trade transactions for specific commodities, work, and services. At the present time, it is necessary to obtain permission to import or export such production before signing a contract.

The basis of the commodity list for licensed goods was established in 1989-early 1990, with the suggested term of effect within the framework of the indicated period, according to the adoption of the following instructional documents:

1. USSR Council of Ministers Resolution No. 203 of 7 March 1989, "On Measures for State Regulation of Foreign Economic Activity."
2. USSR Council of Ministers Resolution No. 1104 of 11 December 1989, "On Additional Measures for State Regulation of Foreign Economic Activity in 1990."
3. USSR Council of Ministers Resolution No. 151 of 10 February 1990, "On Additional Measures, Aimed at Providing the National Economy with the Output of the Chemical and Forestry Complex in 1990."

Later, the term of effect of these resolutions was extended to 1991.

At present, virtually all Soviet exports of raw materials and fuel, a broad range of partially finished goods, food, durable consumer goods, the results of scientific and technical activity, theatrical and concert activity, and transactions in the investment of hard currency funds are subject to licensing. Import licenses are required to import the following: pharmaceuticals, chemical pesticides, printed material, film and video or audio equipment, purebred cattle, as well as when bringing a foreign work force into the USSR, offering services in the construction of objects within the territory of the USSR, carrying out a theatrical or other artistic activity, or conducting transactions which attract funds in foreign currency.

Thus, more than 90 percent of the production supplied for export is subject to licensing, and in the first half of 1991 more than 50 departments, basically at the Union level, issued licenses for its export. About 6 percent of Soviet import is licensed. The list of basic goods, the export and import of which was carried out with licenses

in 1991, is given in the magazine *ZAKONODATELSTVO I EKONOMIKA*, No 10, 1991, pp 30-37.

Licenses are issued within the limits of the cost or quantitative quotas, established by the appropriate departments.

Furthermore, goods imported to the USSR or exported from the USSR by VES participants, who practice unconscientious competition or damage the interests of the state through their operations, are subject to licensing. In this case, licensing is a precautionary measure and is applied for a period of up to 6 months.

Finally, the licensing of foreign trade deliveries and purchases was also introduced in regard to goods, falling under the export and import restrictions for individual countries or groups of countries. In 1991, import quotas and licensing exist for the import of all goods from Egypt, India, Hungary, and the eastern regions of the FRG (the former GDR). Import from Czechoslovakia is licensed and subject to quotas for all goods, except food and medications. Within the framework of a previously signed agreement between the USSR and the European Economic Community, a number of quotas and the licensing of the export of textile goods to countries of that region were introduced. The export of all goods and services to Taiwan is licensed.

Joint enterprises having a more than 15-percent share of foreign investments in company capital are released from the need to obtain licenses to export the output of their own production, as well as for goods, imported by them for their own economic activity.

Since July of this year, substantial changes have been made in the system for licensing foreign trade operations. The authorities of the Union republics in issuing export and import licenses were significantly expanded by the 3 July 1991 decision of the Union-Republic Hard Currency Committee, "On the Procedure for Setting Quotas and the Licensing of Export and Import."

The decision stipulates that on the Union level the quantitative regulation of export will be carried out only for a limited circle of goods of state-wide importance (see appendix). The performance of these functions is entrusted to the Union-Republic Hard Currency Committee. The quotas established by it in 1991 will later be distributed among the Union republics—the producers of the corresponding production, on the basis of mutual agreement. In this regard, interested republics may transfer the parts of export subquotas over which they have authority to each other. Quantitative regulation of the export of goods (work, services), not included on the list of production of state-wide importance and being produced within the territory of the Union republics, is carried out by the authorized agencies of the republics at their discretion. According to the decision, the licensing of export in practice is completely "farmed out" to the republic departments, regardless of at which level the export quota or subquota was set. The Union republics have the right to issue licenses for the export of goods of

state-wide importance, regardless of the distribution of subquotas, but this is allowed only for output produced by enterprises located within their territories, above and beyond the established assignments for export, for the state order, and for contractual obligations.

Enterprises-producers of goods (work, services), which have been given export assignments in the State Plan for 1991, are provided with licenses on a first-priority basis and in an amount, not less than these assignments. "Infringement on the independence" of the republics in the area of licensing will occur in the export of certain so-called specific goods (work, services), i.e., in this case the licenses are issued by authorized republic agencies, but with mandatory coordination with departments of the center:

- Inventions, know-how, and the results of scientific research work—with the USSR State Committee on Science and Technology;
- Wild animals and plants, registered in the Red Book of the USSR, as well as in appendices to the international agreements of the USSR—with the USSR Ministry for the Use of Nature and Preservation of the Surrounding Environment;
- Pharmaceuticals and the raw materials for their production in the established volumes and categories—with the USSR Ministry of Health Care.

The licensing of the export of services for the construction and operation of build-and-equip projects abroad, for which the USSR MVES [Ministry of Foreign Economic Relations] holds the funds, including deliveries of equipment, materials, and component parts for them, is carried out by this ministry, and in the remaining cases—by the authorized agencies of the Union republics.

The licensing of export of professional activity abroad in the sphere of culture, including theatrical, concert, and other artistic activity, as well as art exhibitions, is carried out by the USSR Ministry of Culture and the ministries (state committees) of culture of the Union republics within the framework of their competence.

In certain cases the Union republics must prove that the production being exported is "their own," i.e., that it originates from the given Union republic (when it enters into inter-republic deliveries and undergoes processing for export). The proof will be "accepted," if this processing was sufficient to change its position in the first four categories of the existing USSR Commodity List for Foreign Economic Activity. In all other cases, the exporter is obliged to coordinate the possibility and conditions for the export of such production with the authorized agencies of the Union republic of its origin.

The rights of the Union republics in the area of setting quotas and import licensing have been expanded to a significantly greater extent.

They may set import quotas in their territory for goods (work, services) at their discretion. Within the framework of these quotas, import licenses are issued by the authorized agencies of the Union republics. Import licenses for specific goods (work, services) are issued by the authorized agencies of the Union republics with the coordination:

- of pharmaceuticals and medical equipment—with the USSR Ministry of Health Care;
- of chemical pesticides—with the USSR Ministry of Agriculture and Food.

Import licenses for the professional activity of foreign citizens and organizations within the territory of the USSR in the sphere of culture, including theatrical, concert, and other artistic activities, as well as art exhibitions, are issued by the USSR Ministry of Culture and the ministries (state committees) of culture of the Union republics within the framework of their competence.

The licensing of import of artistic movies (in the amount of 100 full-length films a year) is carried out by the ministries (state committees) of culture of the Union republics in coordination with the USSR State Committee on Cinematography.

The import licensing of film, video, and audio production is carried out by the ministries (state committees) of culture of the Union republics in coordination with the State Expert Commission on the given matter.

On the whole, the functions of the USSR MVES, which before this was the basic "holder and possessor" of all permission for the delivery or purchase of goods (work, services) in the foreign market, are noticeably reduced. Right now, it "retains" only the licensing of:

- the export (import) of the Union SSR in trade with individual countries for the purpose of balancing mutual accounts and in the balancing period. The decision to introduce such licensing is made by the Union-Republic Hard Currency Committee;
- export within the framework of agreements of the Union SSR with the U.S. and with the European Economic Community on the regulation of trade in textile goods.

Now the USSR MVES basically will perform only organizational and methodological assistance in the licensing work of republic departments and will carry out the overall statistical calculations on the use of quota-setting and licensing in the USSR.

The future positive result of adopting this decision is unquestionable. However, at present it is easy to see the underwater rocks, which may prevent putting it into practice. First, there is no definitive agreement among the republics about the basic provisions of the committee's decision on the sizes of export subquotas for certain goods of state-wide importance or on the list of these goods itself. Second, the republic departments require

considerable work of a purely organizational and technical nature, so that they may rationally make use of this "gift" from the center.

Finally, one last item. The procedure for the registration and distribution of applications for the issue of licenses,

according to the USSR GUGTK instructions, approved on 13 December 1990, was changed in 1991. The document forms concerning said instructions, as well as the instructions themselves, are being distributed on a contractual basis by the "InformVES" V/O. Telephone for information: 220-10-40.

Appendix—List and Quotas of Production of Union-wide Importance for 1991 with Distribution among Union Republics¹

| | Units of Measurement | Union-wide Export Quotas | Union Republic Subquotas | Commodity Positions of Export Production, Conforming to USSR Commodity List for Foreign Economic Activity |
|---------------------------------|----------------------|--------------------------|--------------------------|---|
| 1 | 2 | 3 | 4 | 5 |
| Crude oil ² | million tons | 61 | RSFSR—61 | 2709 |
| Petroleum products ³ | -- | 40.9 | RSFSR—25.6 | 2710 |
| | | | Ukraine—6.8 | |
| | | | Belorussia—3.6 | |
| | | | Azerbaijan—2.0 | |
| | | | Kazakhstan—0.4 | |
| | | | Turkmenia—0.1 | |
| | | | Georgia—0.4 | |
| | | | Lithuania—2.0 | |
| Coal, including schist | -- | 34.5 | RSFSR—21.5 | 2701 |
| | | | Ukraine—13.0 | |
| Natural gas | Billion cubic meters | 112.5 | RSFSR—94.5 | |
| | | | Turkmenia—19.0 | 27111, 271121 |
| Lumber | million cubic meters | 10.25 | RSFSR—10.15 | 4403 |
| | | | Belorussia—0.1 | |
| Ferrous metal scrap | thousand tons | 0 | | 7204, except |
| | | | | 720450100 and |
| | | | | 720450900 |
| Non-ferrous metal scrap | thousand tons | 0 | | 7404, 7503, 7602 |
| | | | | 7802, 7902 |
| | | | | 8002, 810190900 |
| | | | | 810291900 |
| | | | | 810310900 |
| | | | | 810420000 |
| | | | | 810510900 |
| | | | | 810810900 |
| | | | | 811100190 |
| Raw aluminum | -- | 884 | RSFSR—707 | 760110100 |
| | | | Tajikistan—177 | 760120100 |
| Refined ore | -- | 220 | RSFSR—40 | 740311008, |
| | | | Kazakhstan—180 | 74031900 |
| Zinc | -- | 5 | Kazakhstan—5 | 7901 |
| Tin | ton | 18.6 | RSFSR—18.6 | 8001 |
| Mineral fertilizer ⁴ | | | | |

Appendix—List and Quotas of Production of Union-wide Importance for 1991 with Distribution among Union Republics¹ (Continued)

| | Units of Measurement | Union-wide Export Quotas | Union Republic Subquotas | Commodity Positions of Export Production, Conforming to USSR Commodity List for Foreign Economic Activity |
|-----------------------|----------------------|--------------------------|-----------------------------|---|
| 1 | 2 | 3 | 4 | 5 |
| and synthetic ammonia | million tons | 10.3 | RSFSR—6.3 | 3102-3105 |
| | | | Ukraine—2.1 | |
| | | | Belorussia—1.7 | |
| | | | Uzbekistan—0.1 | |
| | | | Lithuania—0.1 | |
| Grain | -- | 0.9 | Ukraine—0.6 | 10, 1104 |
| | | | Kazakhstan—0.2 | |
| | | | RSFSR—0.1 | |
| Cotton fiber | thousand tons | 300 | Uzbekistan—200 ⁵ | 5201, 5203 |
| | | | Turkmenia—54 | |
| | | | Tajikistan—20 | |
| | | | Azerbaijan—16 | |
| | | | Kazakhstan—10 | |
| Vegetable oil | thousand tons | 84 | Ukraine—72.1 | 1507-1515 |
| | | | RSFSR—6.9 | 151620 |
| | | | Tajikistan—1.5 | |
| | | | Uzbekistan—3.5 | |

Notes: 1) Including actual export volumes in 1991 before this decision went into effect.

2) Additional quota for export of oil of 12.5 million tons, including 11.2 for the RSFSR, 0.7—Kazakhstan, 0.4—Azerbaijan, and 0.2—Turkmenia. The use of this additional quota is allowed on the condition of supplies of oil, extracted above the established assignments for export, for the state order, and for contractual obligations (part 1.4 of the decision).

3) Diesel fuel, gasoline, ship fuel oil, heating oil, lamp kerosene, reactive fuel.

4) Nitrogen, calcium and phosphate fertilizer (on conversion to 100-percent nourishing substances).

Including 90,000 tons in the second half of 1991.

Information: The Kazakh SSR is insisting on the withdrawal of ore and zinc from the list of regulated goods of state-wide significance.

Current Status of Soviet Capital Abroad

92UF0165A Moscow *EKONOMIKA I ZHIZN*
in Russian No 41, Oct 91 p 7

[Article by S. Sokolov, Senior Research Worker, USSR VNIKI MVES: "Soviet Capital Abroad."]

[Text] Until just recently it was thought that the way Soviet capital functioned abroad did not at all fit the concept that had developed about our institutions. This idea, however, has been around since as early as the 1920's. For seven decades the sum of our foreign investments has changed radically more than once, and now consists of approximately two billion dollars, about the amount of foreign investment accepted by the USSR in the three years that we have had joint enterprises.

The entry of Soviet capital abroad and its functioning, which has now found its second wind, needs no less expert and careful coordination than the activity of foreign capital in its own country.

I would remind you that prior to 1989, when the USSR Council of Minister's Decree No. 412 allowed those who have foreign economic ties a great deal of latitude in their activities abroad, Soviet organizations, through the shares they owned, participated in nearly 130 mixed associations in 35 countries of the world. Most of these associations which essentially are joint enterprises, have the task of facilitating the realization of Soviet production for export, primarily in developed capitalist countries. According to 1987 data, from 50 to 80 percent of our technical exports were realized through these enterprises, including about 40 percent of petroleum and petroleum products and up to 60 percent of our wood pulp products. In order to do this, the mixed associations had to have the necessary material and technical supply, and a service organization.

Profit From Under the Counter

All these entities were organized for the most part as foreign trade associations prior to the beginning of

reforming the system for foreign economic ties. Our domestic economic literature declared that their primary goal was to sell of Soviet industrial goods and raw materials, and partially, to purchase foreign goods in quantities set by the country's planning organizations at prices that would guarantee the required profit level after taking into account the production costs of goods. It was emphasized at the same time that in contrast to capitalist commercial organizations with their main goal of earning the maximum possible profit, our foreign trade organizations and their affiliates abroad did not have this kind of goal. On the contrary, it was considered that the indicator of how capable and knowledgeable our directors were in managing economically and efficiently would be the earning of ... as small a profit as possible.

This kind of approach fully corresponded to the decades-long reliance on gross indices and extensive methods of development that existed in Soviet economics (including the foreign economic area). This approach turned out to be along the same lines as the drive toward minimizing, that is, understating the profit balance (accounting) with the goal of decreasing currency losses from foreign taxation on profits and dividends. Due to this understatement of the profit balance, an increase in currency receipts was guaranteed, which was then transferred by Soviet joint stock companies to the accounts of the USSR Vneshekonombank [Foreign Trade Bank].

In practice, this was accomplished by using transfer prices, that is, intra-firm prices, in contracts between our foreign trade association and its affiliate company abroad. When Soviet products were exported, prices were increased, and when foreign goods were imported, prices were understated in comparison to free market prices.

Traditionally, this kind of practice was associated with the activities of transnational corporations [TNC] and was often depicted in Soviet literature negatively, without mentioning our own practice. Liberation from decayed ideological dogmas permits our entrepreneurs to take similar actions today only if they take into account the real market situation and use their common sense, which would exclude the double standard. This approach is also favored by the growing volume of international trade, specifically within the framework of intra-firm barter. An increasing practice by many companies (and not only the TNC's) is the specific use of transfer prices in order to localize profit receipts in countries that have better (favorable) taxation laws. Thus, at the basis of this process are objective economic laws of development that are tied to non-homogeneous conditions for activities in various national markets.

By the beginning of 1990, there were already about 170 joint stock companies or associations with limited liability operating abroad with the participation of Soviet partners (for comparison: Hungary had more than 130 joint stock companies abroad; Czechoslovakia - over 140; and Poland - about 120). At present, the number of

foreign firms with the participation of Soviet capital has increased radically, but it is difficult to even approximate the number.

Conditions For The "Flight Of Capital"

The reason for this flight of capital is typically ours and has to do with perestroika: Taking advantage of the absence in Union or Republic legislation of any kind of serious fines for violating procedures established for investing abroad, many of our participants in foreign economic relations began to establish cordoned-off affiliates to circumvent responsible organizations.

When our joint enterprises [JE's] are established abroad, there is a clear trend—especially among independent commercial organizations—toward a "flight of capital" from our country. This trend manifests itself through any means possible to deposit or retain currency resources in accounts beyond the borders of the USSR. Aside from the "legal nihilism" that has become standard for us, the reasons for this are rooted in the imperfection of the governmental decree itself, which regulates the conditions and the procedures for activating the overseas investments of our domestic enterprises.

Thus, Decree No. 412 has an indefinite-sounding procedure to establish foreign enterprises, "taking into account the recommendations of the USSR Ministry of Foreign Economic Relations," in connection with which the very fact of taking account of such recommendations complicates the control factor. In general, it is not clear what is meant by "taking into account the recommendations." It is not established what sanctions or measures may be taken against enterprises and organizations which violate established procedure.

The wording of the decree on establishing enterprises abroad, where your own, borrowed, or centralized currency resources are involved, "as a rule" does not allow one to make a clear and unambiguous determination about the government's attitude toward the possibility of depositing contributions from Soviet partners into a joint capital (chartered) account in a natural form, that is, as deliveries of property, goods, materials, raw materials, offering of services, rights of usage, and transfer of intellectual and industrial ownership.

Firms abroad are established frequently by domestic commercial organizations, especially from the so-called "alternative" sector of the economy, in order to organize the transfer and simultaneous conversion of ruble resources accumulated in the USSR into hard currency, by having the joint enterprises that were established abroad sell mainly raw material products at understated transfer prices and with a concurrent refusal to transfer profits and dividends to the USSR. Such imports through our false firms at overstated prices are often used for secret transfers from the country with accumulated currency resources in evading statutes which regulate the implementation of currency operations on the

territory of the USSR. There are also known cases of enterprises established abroad whose goals are directly in conflict with legislation.

Having discovered this trend, some consulting firms have recently been offering their services more frequently to our entrepreneurs, wanting to arrange anonymous registration of companies abroad, and stating that our legislation does not have any restrictions on Soviet physical persons participating in such companies. In point of fact, while making this statement, there was silence about anonymous registration of a company abroad being very questionable in a legal sense, independent of whether its Soviet participant is a physical or legal person.

With regard to measures against violators, up until this moment there have not been any provisions made for any such measures. Taking just the overall context of regulating the foreign economic activities of Soviet enterprises, one can spot only one sanction that can be applied to them, and this is either to put a stop to their activities or deprive them of the right to implement these kinds of activities independently. True, today there is one other sanction, and that is against violating the rules of implementing currency transactions, but even that applies only when an investment into the capital of a foreign enterprise is made in foreign monetary units.

Against this background, proposals about refusing any kind of control over exporting capital out of the country sound even more out of place. The great degree of liberalization in capital export is typical today only for the most economically developed countries. In most of the developing and newly industrialized countries, however, very strict controls are preserved over exporting capital, including personal capital. Control functions are fulfilled, as a rule, either by ministries of finance or central banks.

Types of Activities of Mixed Associations Abroad With the Participation of Soviet Economic Organizations (as of December 1, 1988)

| Main Type of Activity | No. of Associations | Percent of Total |
|--|---------------------|------------------|
| Commercial | 57 | 45.6 |
| Trade in Scientific and Technical Knowledge and Technical Services | 5 | 4.0 |
| Services | 40 | 32.0 |
| Including: | | |
| Freight Forwarding | 33 | 26.4 |
| Extraction and Processing of Raw Mat'l | 14 | 11.2 |
| Financial Transactions | 9 | 7.2 |
| TOTAL | 125 | 100.0 |

Participation of Soviet Economic Organizations in the Capital of Mixed Associations Abroad (as of December 1, 1988)

| | Under 50% Share of Capital | Parity Particip. 50:50 | Over 50% Share of Capital | 100% Ownership | Total |
|---------------------|----------------------------|------------------------|---------------------------|----------------|-------|
| No. of Associations | 18 | 19 | 43 | 45 | 125 |
| Percent Share | 14.4 | 15.2 | 34.4 | 36.0 | 100.0 |

Source: Compiled by N. Dracheva, Doctor of Economic Sciences, on the basis of data obtained from ministries and departments.

You Need To Watch it Constantly

The necessity of establishing an active system for regulating investment abroad is also urgently felt in our country. The fundamental provisions of a control system could be included in a law on currency regulation, a law on foreign economic activities, or other legislative acts, and possibly, passage of a special law on foreign investments of Soviet enterprises cannot be excluded.

Licensing procedures should be introduced for granting permission to participate in enterprises abroad. All kinds of capital export methods should be subject to licensing, both monetary, as well as payments in kind. The license that is issued should be the basis for registering joint enterprises abroad with the USSR Ministry of Finance, while for banks and customs organs the license should serve as a basis for transferring funds or exporting property into the investment account in a joint stock (registered) capital.

It would be desirable to give the function of issuing licenses to some single (existing or specially established) organ that deals with investments abroad. Concurrently, it is necessary to ensure that there is one approach for all enterprises regardless of form of ownership, including joint enterprises established on the territory of the USSR and enterprises having a 100 percent foreign investment. It would also be desirable to look into the possibility of providing this organization with copies of signed documents from enterprises registered abroad, that is, our own enterprises or joint enterprises that have Soviet capital invested in them; and to have this organization implement controls over transfers of dividends (profit shares) from abroad that have been earned by the Soviet partners.

Within the framework of the system of state regulation of investments abroad, it is essential to implement measures applicable to Soviet investors that would both stimulate and limit their activities. The former would include preferential risk insurance in particular, as well as providing credits for start-up costs and taxes; the latter would include payment of taxes, mandatory sale of a part of the currency received from transferred dividends and profits, limits to

capital payments in kind, and a refusal to apply preferential rates that are intended as measures for stimulating activities, and other limitations.

Introduction of licensing for the export of capital should also provide for the possibility of applying sanctions in the form of fines of an administrative and economic nature to violators, including rescinding licenses and registration cards for participants in Foreign Economic Relations, and levying fines, including monetary fines.

Implementation of the above measures would be greatly facilitated if there were a requirement for preliminary independent expertise by specialized organizations and by persons who receive a preliminary certification and are recognized as independent experts, to evaluate projects for establishing enterprises abroad.

Finally, I have to say something about curiosities, whose removal could facilitate a normal pattern of work abroad by Soviet investors, if there were a rational adherence on their part to generally accepted standards of investment activities. Thus, for example, it is completely absurd to have limits today on paying Soviet employees of enterprises abroad, placing them in a position of being dependent on having their salary paid by the Soviet ambassador and having a large portion of their salary deducted. Not only is it impossible to imagine how these limitations could be applied to all Soviet personnel in firms abroad, which were established as independent (including private) enterprises, but such limitations—looking at them from today's perspective—even look completely illegal.

In general, a reorganization of investment activities of Soviet enterprises abroad not only would not conflict with the broad policy for democratizing economic life in our country, implementing a policy of privatization, and encouraging entrepreneurship, but it would also facilitate guiding it into a civilized channel.

Official Denies Soviet Roles of International Labor Organization

92UF0185A Moscow VODNYI TRANSPORT
in Russian 10 Oct 91 pp 1, 2

[Interview with Anatoliy Sergeyevich Chernyshev, deputy minister of labor and social issues, USSR representative on the Administrative Council of the International Labor Organization, by V. Stukalov: "Unemployment Does Not Threaten Us..."]

[Text] For many years we have not understood what the International Labor Organization [ILO] is, although we have been a member of it since 1954. Anatoliy Chernyshev, deputy minister of labor and social issues, represents the USSR government on the ILO Administrative Council.

[Stukalov] Tell us briefly about the ILO. Our readers have difficulty, imagining what this organization does...

[Chernyshev] The ILO is a structural subdivision of the UN, created in 1919. Right now 150 countries belong to it. Its main purpose is to draft international norms, conventions, and resolutions in the interests of the working people. Its sphere of activities include the preparation of programs and supervision over their implementation in different countries in the area of improving labor conditions and the production environment, equipment, safety, labor hygiene, and social protection for various categories of workers—women, children, invalids, pensioners... The unique nature of the ILO and its main difference from other UN structures is that it is a trilateral organization: Representatives not only of government organizations, but also of organizations of entrepreneurs and working people participate in it.

[Stukalov] What is the ILO's basic "product?"

[Chernyshev] It is conventions, which are called on not only to shape normal labor conditions and social policy, but also to guarantee the observance of the whole complex of a person's social, economic, and professional rights.

[Stukalov] We know that at present 173 conventions have been passed, but many of them have not been ratified by our country. Why?

[Chernyshev] The USSR has ratified only 50 conventions. Why so few? The whole point is that if a state has signed a ILO act, it should not only observe it, but also periodically report to international experts on its fulfillment. Yet, it is only possible to fulfill an act once the country's laws have been brought into conformity with ILO norms. In the USSR, such nonconformity is encountered quite often. This is the first point. Second, tremendous resources, which our country does not have, are required in order to fulfill a convention to improve the people's socioeconomic life. Therefore, the USSR has not ratified more than ten conventions concerning the protection of pensioners, women, motherhood and childhood.

[Stukalov] You said that the ILO's basic task is to defend the interests of the working people. However, the trade unions do this, after all. What is the difference?

[Chernyshev] The difference is that over the many years the Soviet trade unions have not learned to protect the simple man. They have functioned to the contrary: They have protected the government from the worker. Trade unions in the West do not work in politics, they do not put anyone's resolutions into practice. This axiom exists in all the ILO conventions. Incidentally, all ILO documents also "apportion" responsibility for the people's social protection among the government, the entrepreneur, and the trade unions. Here in our country, social security, supervision over labor safety, the development of tourism and vacations, etc., is the prerogative only of the trade unions. They are performing the functions of the government. This is precisely why our fellow citizens are not socially protected to the full extent.

Let me give an example. We sent the recently passed new law on pensions to the ILO for expert analysis, and received many recommendations. Unfortunately, we have not managed to take them into account. Of first importance was the recommendation to change the system of social security, transferring it from the auspices of the trade unions to the auspices of the government. If this situation does not change, life will hardly become easier in the near future for the least-protected stratas of the population, especially pensioners.

[Stukalov] The lines at foreign consulates are growing. The situation in the country, as well as rumors about an agreement with foreign countries concerning a multi-million exodus of "our people" for jobs in the West, has stirred the hopes of those who are prepared to rush to a distant land for hard currency. What is the state of affairs with this problem?

[Chernyshev] At present, there is an agreement among the governments of Belgium, Germany, Finland, and Austria on the exchange of skilled workers. However, these countries can accept a limited number of people. For instance, Belgium will accept only 500.

Canada, Australia, and the United Arab Emirates are prepared to cooperate on this matter. However, our foreign partners are somewhat confused: With whom should they do business? With the Union structures, or with the republics, where a mechanism to regulate migration is not yet operating? There is another difficulty. A project for special service existed, which was supposed to ensure the legal and social protection of Soviet citizens who are leaving to work abroad. However, for now the project is up in the air as a result of the break-up of state structures. Rather, there will be a definite quota for those desiring to work abroad, depending on the number of offers "from the other side."

[Stukalov] Nonetheless, in practice how can one leave to work in other countries?

[Chernyshev] In practice, not at all for the time being. According to the USSR Law "On the Procedure for Departure from the USSR and Arrival in the USSR for USSR Citizens" and the USSR Supreme Soviet resolution on the entry of this law into effect, Soviet citizens will gain the right freely to depart the country, including for labor motives, only as of 1 January 1993. Until then, the previously passed normative acts are in effect, which define only two grounds for departure from the USSR abroad: to a permanent place of residence on the invitation of relatives or on guest or tourist trips. In the last case, citizens of our country do not have the right to work abroad.

[Stukalov] Your ministry also works to prevent future unemployment. How can you protect people from this misfortune?

[Chernyshev] There are different forecasts for unemployment. Some say that the number of unemployed in the near future will reach 10 million, others say 30 million. I

personally believe that unemployment in our country, where there are neither goods, nor food, and where a gigantic amount of land is not being maintained, is a contrived problem. If there is going to be a huge army of unemployed people, it will be a temporary phenomenon.

The Law on Employment was passed in order to prevent mass unemployment. It enters into effect on 1 January 1992. It stipulates many measures for the employment of people, above all the re-training of cadres, raising the shift coefficient, etc.

[Stukalov] Anatoliy Sergeyevich, I know that quite recently a convention was passed on emigrants and members of their families, but the USSR once again has not ratified it. Have our fellow countrymen been cast to the will of fate?

[Chernyshev] We have not ratified this convention because our legislation does not offer the possibility of social protection for our citizens abroad. The convention requires that states protect the interests of their countrymen, no matter where they live. For the USSR, this means that everyone who has left the country should receive the pensions owed to them (even if they left long ago). This is customary throughout the world. In order to do this, the state has to conclude bilateral agreements and carry out reciprocal accounting. Unfortunately, we have only three such agreements: with Spain, Greece, and Finland. Until recently, there were also agreements with all the former socialist countries, in which we mandatorily protected their citizens socially, and they, ours, regardless of the number who had left one or the other country. Now that accounting with these countries is being carried out in freely convertible currency, they are raising the question of reviewing these agreements in order to change the quota and conditions of payment.

[Stukalov] One last question: How does the International Labor Organization relate to our country?

[Chernyshev] The relationship was unique and unequal. It was above all determined by our ultra-ideologized behavior. We constantly invented situations which the world community did not understand. For instance, we held an irreconcilable position in regard to the recognition of "Solidarity." In this connection, we ardently supported the idea of Poland's withdrawal from the ILO as a sign of protest. The USSR even started talking about withdrawing from the organization. We even used such a prohibited method, as threatening not to pay our ILO dues if what the Soviet Union wanted was not done. However, they tolerated this behavior of ours, because our dues were almost 10 percent of the budget of the entire ILO organization. Let me tell you, this is a colossal sum of money. We have paid them for many years, but we did not use the services of ILO until last year. Right now we are inviting ILO experts to the USSR, we are using their methods in our work, we are holding joint seminars, and we are developing projects in our country,

such as, for instance, the creation of standard employment services in Moscow and St. Petersburg and the introduction of a modular program to train worker cadres for agricultural machine-building enterprises...

Former Republics' Debt Problems Described

92UF0274A Moscow SOVETSKAYA ROSSIYA
in Russian 27 Nov 91 p 3

[Article by O. Cherkovets, candidate of economic sciences: "Debts and Payments"]

[Text] The second meeting of high-level officials from the "big seven" and the heads of government of 12 of the now sovereign states that were formerly union republics of the USSR did not go smoothly last week. The main question, as usual, was "To be or not to be?" But it was worded "To get or not to get?" Could we expect to get foreign credits on the threshold of the cold and hungry winter or not to get them? Before our foreign partners would answer this question, they wanted an answer to the main question concerning them: Will yesterday's superpower pay the debts it owes on earlier credits and liquidate its foreign debts, which now total, according to the absolutely unexpected amount announced during the talks, not 70-75 billion dollars, but fully 120 billion?

This is far from an idle question for Western governments and financial groups. During the years of Soviet rule, whether we like it or not, our foreign partners grew accustomed to thinking that "the Russians are more reliable in the financial sense than Wall Street" (NEW YORK TIMES, 18 November 1933). Those wonderful days for our partners in the West are over. The lethal storm of "perestroyka" attacked our store counters, inter-ethnic relations, and the life and fate of millions of our citizens and showed no mercy to the foreign financial relations of the state that is dying before our very eyes. Think back over the last few years: Was it not absurd to talk about "glasnost" in foreign economic relations, especially the monetary sphere, when everything that was going on there was probably shrouded in more mystery than during the notorious years of "stagnation"? Did our "free" and "democratic" press pay any attention to the reports in the foreign press at the start of this year about the experts from the International Monetary Fund who had relegated our country to the group of states with dangerously high levels of per capita foreign indebtedness? It paid no attention to them then or in subsequent months, because it was so busy lashing out at CPSU functionaries and government officials. Meanwhile, our foreign debt grew, and kept on growing until it reached, as we were told on the evening of 19 November, the sum of 120 billion "greenbacks." According to the data of international financial groups, however, the sum was less than a quarter as high in 1985 and was then regarded as a completely acceptable debt for a country with a huge and developed economy.

What should we do now? And what should our justifiably concerned partners do? They are conscientious

capitalists and cannot imagine a situation as shocking as this one even in their wildest dreams: They are witnessing a great state ruin itself and undermine its own economic basis with the full consent of its leadership, resulting, quite understandably, in complete insolvency. What can they do when this same leadership beseeches them: Give us something, for Christ's sake, so that we can survive the winter, because we have made so many mistakes that we cannot even provide our people with bread! Incidentally, they mean this in the literal sense: There is frequently no bread at all in the stores.

Our high-level partners, represented by their finance ministers, asked for the absolute minimum: official legal guarantees that our new high-level officials (formerly Soviet, but now anyone's guess) will act completely in accordance with their repeated vows to "enter the world economy" and will not forget one of the immutable laws of this economy. It is quite simple: If you make a promise, keep it, and if you borrow money, pay it back. Otherwise, no one in the business world will have anything to do with this kind of "partner." Why should anyone risk his millions, not to mention billions, when this is his own money, not a rich uncle's? This is why the new "sovereign leaders" and the leaders of the remnants of the central government, appointed by the Intergovernmental Economic Committee, cannot hope to get new loans or any kind of Western assistance in general without some kind of official document or memorandum of intention to pay the debts of what everyone regarded as one single nation just yesterday. That same evening of 19 November we learned that 9 of the 12 republics party to the talks had agreed to sign a memorandum acknowledging the debts of the USSR and promising to pay them.

In this way, the minimum requirements of the "big seven" were met. Will they be enough for government, business, and financial circles in the Western countries to loosen their purse-strings and make huge new contributions to our increasingly deadlocked economy? I do not think so. The fact that any kind of "aid," even if it amounted to several billion (and in the last weeks before winter we had not received any at all), would be almost useless to us, is not the only problem. Loans of other proportions, colossal proportions, would be required to pull the Soviet (or former Soviet, but the terminology is unimportant here) economy out of the fearful abyss of perestroyka. The whole financial world could not come up with this much money. Meanwhile, any Western businessman—and most of our economists agree that private capital, rather than state capital, if only because of the limited nature of the latter, would have to play the main role in mass-scale investment—would be disturbed by the absence of the kind of legal "atmosphere" any normal business requires for its functioning. What do we have in our country? Any kind of business—excluding the speculative trade and purchasing "cooperatives" and other types of legalized gangsterism—must be founded on respect for the property of others and scrupulous

behavior in property relations. In our country, and the whole world can see this, we offer "least-favored-nation" status in this sphere.

Just look at how the billions of rubles in Union property, created by several generations of Soviet people in all parts of the Union of Soviet Socialist Republics, disappeared, as if it consisted solely of invisible assets. Where is this property now? It has been declared the property of a sovereign republic by a single stroke of the pen of a "sovereign" president of that republic. Without any estimates, calculations, or mutual settlements—just a declaration. Whether the property in question is gold, precious stones, state-of-the-art weapons, or army units, the decision is always the same. And why not, if even the text of the Treaty on the Economic Community says nothing specific about the existence, functioning, and inviolability of statewide property belonging to the whole Union and to no one individual? How could any businessman feel enthusiastic about taking his hard-earned capital into this country after seeing all of this?

There is something else that has to be said. How can we beckon to creditors and property owners in various countries with one hand while the other violates every conceivable and inconceivable standard with regard to the criminal, civil, and financial rights of the millions of members of a sociopolitical organization and its property? How can we hope that anyone will take the risk of bringing his capital into this kind of environment? The Communist Party, which was the ruling party in the country and in each of the republics just yesterday, and which produced most of the "sovereign" presidents, was banned without a trial. The whole world is watching as party property, which belongs to no one but the party (until a court decides otherwise!), is actually being plundered with the criminal connivance of the government, and without any kind of judicial proceedings, but merely on the basis of hysterical shouting and slogans coined for rallies. Eventually, my fine gentlemen, someone will have to answer for this! All of this will have to be returned to its rightful owners, and the Communists will have to be compensated. Otherwise, no businessman, unless he is a paranoid anti-communist, will want to have anything to do with this kind of government. Where is the guarantee that his property will not be treated in the same way tomorrow? There is no guarantee. This is why the memorandum acknowledging the payment obligations of our own country is only the first step in dispelling the legitimate and justifiable worries of our Western partners.

Firms Vie for Sakhalin Oil, Gas Contract

92UF0261 Moscow *PRAVDA* in Russian Nov 91 p 3

[Article by V. Ryabchikov: "Oh, The Sweet Smell of Sakhalin Oil!"]

[Text] The Sakhalin Oblast now resembles a rich and very fickle bride. And how! After all, the role of a suitor is played by the most famous elite of international business.

Internationally known companies such as Shell, Exxon together with its Japanese partner Sodeko, Amoco with the Australian VHP Petroleum, South Korean Hyonda, Mobil, MMM-MacDermott, Marathon, and Mitsui are proffering their hand and heart. All without exception swear to their chosen one as to the purity of their intentions. And what incredible wealth they promise to bestow upon her! "Exxon, Sodeko and Sakhalin make a remarkable team for the building of the future!" some of the competitors are proclaiming. "Shell is prepared to go the entire way, from start to finish," others are saying, "Amoco, VHP Petroleum, and Hyonda will devote every effort in order to develop Sakhalin," still others are asserting.

The Mobil company, wasting no words, hastened to deliver a gift to "the bride": a specially chartered aircraft delivered to Sakhalin 35 tons of deficit cargo—medicines and food for children, as humanitarian assistance.

What has lured the overseas suitors to the Far East region? The air became redolent of petroleum and gas. Practical extraction of the richest reserves of hydrocarbons in the coastal shelf of Sakhalin became the order of the day. The Far East is suffocating in the grip of energy starvation. Recent events in Khabarovsk are a convincing proof of this.

Reclamation of the shelf, however, requires abundant funds of many billions of dollars. Alas, our country does not have such funds. It was decided to seek the aid of "Varangians," to call on foreign captains of the petroleum business to loosen their purse strings. Those who had both abundant capital and extensive experience. A competition was announced in order to select the most worthy partner. A mandatory condition set by Professor V. Fedorov, governor of Sakhalin, was maximum participation in the development of the economy of the region and its social infrastructure. And, of course, the strictest observance of international ecological standards: after all, the nature of Sakhalin and the Kuriles is unique. In addition to that it is also one of the richest fishing areas of the world.

In other words, conditions for the competition are rather rigid. But the highly tempted "Varangians" apparently are not deterred in the least. Even the Japanese, who announced that they would not enter into wide-scale economic collaboration with our country until the problem of "northern territories" is resolved, went along: we are talking huge oil reserves here.

So who will be able to gain the hand of the "Sakhalin bride"? Whom will she prefer? One must beware of making a bad bargain!

Foreign Currency Regulations Amended

92UF0231A Moscow *IZVESTIYA* in Russian
Union edition 18 Nov 91 Union edition p 2

[Information by V.V. Gershchenko, USSR State Bank chairman: "In the USSR State Bank"]

[Text] Taking into consideration the true state of the domestic consumer market, and with a view to simplifying customs control procedures, the USSR State Bank has introduced supplements and amendments into Section C of the Fundamental Regulations on Controlling Foreign Currency Operations on USSR Territory.

Point 2. The following text is added to the first proposal:

"Citizens who are residents may introduce foreign currency up to an amount equivalent to \$200 per person arriving, without presentation of bank documents."

Point 3. The words "in an amount of no more than 50 rubles per person, without the right to spend it abroad" are replaced by the words "in an amount of up to 300 rubles, without the right to spend the funds abroad, and paychecks issued by the Savings Bank for sums not to exceed 10,000 rubles per person." Said supplements will become effective as of the time of their publication.

Soviet Trade Problems Seen As Part of General Trade Worsening

92UF0231B Moscow IZVESTIYA in Russian
Union edition 12 Nov 91 p 2

[Report by L. Kornilov, IZVESTIYA Prague correspondent: "We Are Setting Records for the Number of Trade Missions While Foreign Trade Becomes Ever Worse"]

[Text] V.N. Moroz came to the Soviet embassy in Prague as the representative of the Ukraine (this is known as long-term foreign assignment). This is a new position, for to date, not one of our republics has had its own envoy in the building on Chestnut Square. The rank assigned to Viktor Nikolayevich is that of councilor. He did not submit credentials, since he is not an ambassador.

"What did you do first?"

"I immediately became involved in a useful project, the organization of shipping humanitarian aid from the FRG to the Ukraine. It was a question of Soviet equipment, a total of 830 units (500 of them trucks and 50 light cars) previously used by the Armed Forces of the GDR. The Czechoslovakians kindly agreed to allow transit, and they allocated 450 flatbeds for the transportation of the equipment. The trains reached our Republic. It was pleasant to begin with something which was real, tangible."

"Thus economic relations are also part of your duties?"

"All types of relations and all kinds of cooperation other than military. I see my task as promoting maximally friendly relations between the Ukraine and Czechoslovakia and preparing the ground for the establishment of close and equal intergovernmental relations. In this connection, our basis will be the positions already established by the Soviet Union and the material facilities of the embassy of the USSR."

"Until recently jokes were making the rounds: Now each republic will have its own embassy, with its villas and limousines..."

"Naturally, that is not the case, and there is no need whatsoever for such things. Can you imagine what the cost of this would be: ambassador, personnel, transportation, guards, leasing premises, organizing communications, the extremely expensive coding instruments, file storage... This would cost many millions! It would be absolutely inexpedient, at least for the foreseeable future. Conversely, we must work together."

These are sober views. It is said that a Soviet diplomat abroad costs the state an average of 45,000 hard currency rubles (naturally, this does not mean at all that his salary comes to this. Most of the money is spent on overhead). Councilor Moroz is merely the first harbinger, and soon other individuals will begin arriving, possibly from the Ukraine and other republics. This will require funds. Where would they come from?

Forty-five thousand foreign exchange rubles, i.e., approximately \$80,000, is a substantial amount. To the best of my recollection, the finest minds have been straining to find ways to reduce these amounts. This can be achieved, above all, by reducing personnel (although, obviously, other ways exist, as well). This was not possible, and for some reason, the opposite was happening: the personnel ranks were swelling. What is most amazing is that they continue to swell today. The ever more expensive representatives of our fatherland are analyzing and synthesizing the political and other aspects of Soviet-Czechoslovak relations.

The result is that 20 advisers are working in our Prague embassy. The total number of diplomats is 55 (the next highest number is at the American embassy, where there are only 35 diplomats; the British embassy has 20; and the Austrian embassy has 12... No other country has more than we do!). Can you imagine a ministry, a bank, or an editorial office where the collegium would account for 35-40 percent of the total personnel?

Is it worth looking at the coffers from which their competent "neighbors" from the KGB and the GRU, along with the personnel of other overt departments which also operate under the roof of the embassy, receive their salaries? Some such agencies are either defunct or are about to die, but there is nonetheless someone here to represent them. These are agencies such as the USSR Gosplan, the Gosagroprom, the Komsomol Central Committee, and, until very recently, naturally, the CPSU Central Committee. Whether it is the Ministry of Foreign Affairs or their own departments, or in a generous spirit, both, which are covering the cost of sending personnel abroad is of no importance whatsoever. In any case, the foreign currency belongs to the people, having been earned from sales of petroleum and other national resources, and all of it comes out of the state budget, out of our own pockets.

The example of the personnel-financial excesses in the Soviet embassy in Czechoslovakia leads to the thought that it is the problem of work abroad and cadres abroad which lies at the heart of the problem. The one leads to the other.

It is clear that in the heat of the reform and the shakeup, it would be unacceptable to weaken the universally acknowledged reputation of our foreign policy and the intellectual potential of Soviet diplomacy. Most of the diplomats are skilled specialists, sharp-minded people who are perfectly well-oriented without any prompting from anyone (or "reliability" checks) in various situations, and able to distinguish which are the true interests of our fatherland and which are not. This has been repeatedly confirmed here, in Prague. Alas, I also noted something else. The way after the "quiet" revolution in Prague, people came from the "Center" who lacked these characteristics and even evidenced their opposites. Why? Because they were replacing knowledgeable and intelligent people—those who, in precisely these new circumstances, were so greatly needed.

This situation was greatly aggravated by the so-called "substitution plan," according to which cadre personnel were recalled and excellent workers were replaced with the "next in turn," even if the ambassador himself had requested that an individual not be replaced. Conversely, the lazy employees were not recalled immediately. In his address to the personnel of the embassy he had headed until recently, B.D. Pankin, USSR minister of foreign affairs, said that this notorious "plan" will no longer be operative. Finally. Perhaps this might put an end to the panic and the selfish flight to foreign countries, so that the "human factor" will no longer play an unseemly obstructing role.

It turns out that the cadre redundancies are related to a problem involving not just practical, but also purely human qualities. This is perhaps the reason some old officials appointed to foreign positions thanks to their connections are willing to serve either the legal authorities, or even the junta. And some of them (this does not actually apply to the diplomats) are doing everything possible today to cling not only to their official positions and dollars, but simply to remain "abroad," reluctant to vacate officially-owned premises for weeks or months for the sake of somehow extending their stay in Prague. I was told of such cases, which are quite well-known to the personnel in Prague, by commercial representative I.F. Panteleyev.

Obviously, we need not just cosmetic, but rather maximal reduction of cadres. Only thus can we settle the financial issue, particularly now that new personnel and representatives of the individual republics have begun arriving to serve at the embassy and in the other organizations.

This is quite eloquently illustrated by the commercial mission of the USSR in Czechoslovakia.

For quite some time, inspired discussions have been taking place here on reorganization and the creation of

consulting services based on commercial principles. There has been a kind of agreement to the effect that the appearance here of representatives of individual republics or even enterprises would not be prejudicial. However, the concepts as to the future reorganization are rather vague.

Let us give this matter some thought.

The Soviet commercial representative in Prague has eight deputies. All he needs is two, provided that this organization is not closed down to begin with. All in all, several hundred people work "along the trade mission line" in Czechoslovakia. But they are not members of the mission at all. They are mainly the numerous representatives of associations and companies conducting their affairs entirely independently. The personnel of the commercial mission to Prague includes 86 specialists. Are they coordinators or consultants? Alas, more than anything else, they are collectors of papers, references, and reports (not needed by anyone other than themselves and the Ministry of Foreign Economic Relations) supplied by those same company representatives. Even by the old yardstick, the personnel volume at the commercial mission was considered inflated. Now its work volume is clearly declining. Priority is being given to the republics and enterprises. Essentially, the old reasons for maintaining a cumbersome commercial mission no longer exist, for such a mission is no less costly than an embassy and is a bureaucratic apparatus with very low efficiency. The same services can be successfully provided by the specific representatives and companies. There is also a small but quite forceful and dynamic "consulting bureau" or commercial section at the embassy, as is the practice in countries with market economies. Everywhere the practice is the same: a reduction in personnel abroad and the maintenance of high-quality personnel produce savings in the people's foreign currency.

How many apartments in Prague could be made available! How many official offices and automobiles could be freed up! They could be leased by the representatives of the republics, companies, and enterprises. They could also be used by people on short assignments. For quite some time, the commercial mission has been working on such a project, but without evidencing any particular haste. The reason is clear: unwillingness to fulfill the main prerequisite for its implementation—personnel reduction! At such a pace in any reorganization, and in view of this highly-developed self-preservation instinct, it is hardly likely that any striking changes will occur quickly.

For the time being, "commercial principles" are manifested in the fact that the commercial mission charges its poor compatriots \$25 per day for its "hotel" accommodations (with no telephone, but an abundance of cockroaches). It thus spares them the ruinous prices charged

by Prague hotels, but does not provide adequate accommodations in terms of quality of services or the foreign exchange condition of our fatherland.

This last remark once again leads us to the thought that foreign exchange in our state (the state, precisely, I emphasize) does not belong to the departments, but to the people. And since the Foreign Economic Bank, which is our state-shareholding monopoly when it comes to foreign exchange accounts, pays out \$32 per day for assigned personnel (while the other organizations pay out \$14), this not only creates an incentive for such personnel to remain in Golden Prague for a period of six to 10 days on business which would only take 90 minutes, in an example of the saying "you are your own boss," but is also a reliable means of shaming and compromising oneself in the eyes of ordinary Soviet people.

No, we must not lower the quality of work abroad. However, many aspects of it, in fact, require radical change. One reason is in order to prevent the dollars and cents earned by such hard work from being drained away from our shores.

Customs Deputy Discusses Foreign Currency Regulations Amendments

92UF0284A Moscow IZVESTIYA in Russian 19 Nov 91 Union Edition p 3

[Report by S. Mostovshchikov: "Hardly a Dollar Will Cross the Soviet Border"]

[Text] On 2 November 1991 the Committee on Operational Management of the USSR National Economy acknowledged the expediency of permitting Soviet people to take hard currency out of the country in amounts of up to \$1,000 without special permission. Judging by a small item published in Saturday's newspapers under a modest heading "In the USSR State Bank," the USSR Gosbank [State Bank], counter to the committee's opinion, put a \$200 limit on the financial freedom of USSR citizens at the time of their crossing the Soviet border.

IZVESTIYA has learned that the Gosbank decision came as a total surprise first and foremost for the USSR Customs Committee, which had assumed that the issue of dollars would be decided the way it had been written in the resolution of Ivan Silayev's committee; this resolution acknowledged the expediency of not requiring Soviet citizens to produce any bank documents if they take abroad hard currency in amounts up to \$1,000. In addition, it was decided at the committee meeting that citizens should also be permitted to take abroad up to 1,000 rubles [R] without the right to spend it abroad, since upon return to the USSR they have to somehow get home, and prices right now are outrageous. Representatives of all republic authorities agreed with these proposals.

That was not all. According to Valeriy Droganov, deputy chairman of the USSR Customs Committee, USSR Gosbank Chairman Viktor Gerashchenko, who was tasked with adopting appropriate resolutions, also agreed with all this.

"Gerashchenko promised to sign the required document. Suddenly, we learn on Saturday that the amounts are limited to \$200 and R300," says Valeriy Droganov. "This is simply not manly behavior."

Despite its doubts when it comes to the Gosbank leadership's virtues, the Customs Committee has to carry out its decisions, since by law the right to issue hard currency regulations belongs to the all-Union Gosbank. Therefore, customs officials all over the country have already received official directives that are in compliance with the "Gosbank's unmanly action."

It is hard to say what the motives were for Viktor Gerashchenko's decision. Judging by the preamble to the item "In the USSR State Bank"—signed by him—all of this was done "taking into account the real state of the domestic consumer market, as well as for the purpose of making the procedures of passing through customs controls easier." According to Valeriy Droganov, it is silly to expect things to get easier, since \$200 is not all that much, so now customs officials will again have to count every penny in people's pockets, while real criminals slip through. As to the real state of the domestic consumer market, it is as follows: The USSR Gosbank retains a monopoly on hard currency exchange and on permission to take it out of the country—permission which, by the way, can occasionally be purchased for a bribe. Not in rubles, however—in dollars.

CIA's Role in Post-Cold War Era Viewed**'Search for New Goals'**

92UF0245A Moscow PRAVITELSTVENNYY
VESTNIK in Russian No 45, Nov 91 (Signed to press
1 Nov 91) p 10

[Article by S. Kalinin: "The CIA: The Search for New Targets"]

[Text] Having survived comfortably for nearly half a century, the U.S. Central Intelligence Agency is currently undergoing what, in the opinion of American observers, is "far from the best of times." This troubling thought was somehow or other constantly present in practically every speech of the participants of the recent annual meeting of the Veterans of American Intelligence in Washington. The cause for pessimism? Nostalgia for times that have disappeared without a trace when, as former CIA Deputy Director D. Blake frankly stated, "each of us knew who our enemy was, yes and the enemy himself was monolithic at that time."

Right now, we all know that the situation in the world has changed in many ways. Having been deprived of a "worthy opponent" in the person of the intelligence community of the Warsaw Treaty Organization countries, the CIA has grounds to fear substantial reduction of expenditures for its maintenance and clandestine operations from various U.S. Congressional committees. "Where is the solution to the situation that has developed?", American intelligence service veterans asked each other. In the reanimation of the old "image of the enemy"?—some posed the question. That is doubtful! In a search for a convincingly substantiated "threat to national security"? That is problematical!—said others. In the creation of conditions for the permanent strengthening of the economic and political influence of the United States on the processes that are occurring in the world?—asserted others. And they often agreed with this.

In America, they love and know how to count money. This is not a country where everything is done spontaneously or hastily, without considering the possible consequences and without thorough preparation beforehand. Therefore, the rumor that has been expressed, even by veterans of the American intelligence community, of the recommendation for maximum utilization of the CIA's capabilities to strengthen U.S. world influence has fallen on well and long ago prepared ground. Say, in the countries of the 3rd World.

The United States Central Intelligence Agency has continuously manifested extremely "great interest" in foreign students who are studying in the United States and this has been rehearsed for years.

If, as operational directorate experts suggest the CIA is able to recruit some of them today, tomorrow they will

become priceless local agents who are capable of transmitting to the U.S. government needed secret information on the internal situation in the country, on the secret plans of their own intelligence services, and on the intelligence and counterintelligence activities of, from the U.S. point of view, potential enemy countries. If even one of one hundred foreign students who are studying at American universities ultimately becomes the Minister of Economics or, say, chief of the intelligence service, then the time and resources expended in the attempt to recruit the remaining 99 who refused to cooperate with the CIA will be easily justified.

The CIA's recruiting efforts among foreign students in the United States periodically change their emphasis depending on the changes that are occurring in the world and American government programs with regard to various regions where United States' national interests can be affected or "placed under threat." For many years, the American intelligence community's priority programs were focused on students and graduate students from Eastern European countries. Then young people from Latin American countries fell into the "sphere of interests" and currently the CIA is assigning its "preference" to young people and students from Africa and the Near and Middle East. The crisis in the Persian Gulf largely promoted the American intelligence community's interest in young people and students from the countries of this region.

While commenting on the impending confirmation in Congress of Central Intelligence Director Robert Gates, THE NEW YORK TIMES reported that the CIA is seeking a new role for itself or at least a "more precise image" under conditions of the end of the Cold War. In so doing, political commentators note that the American intelligence community is not only not curtailing its recruiting operations it intends to act more aggressively and decisively.

They predict that under the new conditions that have developed in the world the CIA will attach greater significance to "regional challenges" and also to problems of combating the United States' trading-economic competitors.

President Bush Cited

92UF0245B Moscow PRAVITELSTVENNYY
VESTNIK in Russian No 45, Nov 91 (Signed to press
1 Nov 91) p 10

[Article by TASS Correspondent A. Berezhkov: "President Bush on Intelligence Tasks"]

[Text] "Success in the struggle against communism does not signify that the CIA's work has been completed," said U.S. President G. Bush. He spoke at a dinner in honor of veterans of the Office of Strategic Services which was the Central Intelligence Agency's predecessor.

"Just like today when we can permit ourselves to resort to deep reductions of nuclear forces which at one time

served to deter the Soviet threat, right now we can and must find a better use for the resources which were required to penetrate Soviet secrets," said Bush. "We do not intend to eliminate our intelligence capabilities which cost us so much labor to create. However, we must adapt them to the new realities."

President Bush, who headed the CIA during the middle 1970's, noted that tomorrow's intelligence community will be faced with the task of consolidating and expanding democracy's gains. The intelligence profession will be involved in the struggle with terrorism and drugs. "Furthermore, intelligence will help our politicians to better understand emerging economic opportunities and challenges. It will help to bar the path to anyone who attempts to steal our technology or who refuses to play by the rules of the competitive struggle. It will help us to seek peace in conflict regions where tension reigns." The U.S. President cited "termination of the proliferation of weapons of mass destruction—biological, chemical, and nuclear weapons, and ballistic missiles" as one of the most urgent tasks of tomorrow's intelligence community.

Strauss Remarks on Food Aid to USSR

924A0233B Moscow SELSKAYA ZHIZN in Russian
20 Nov 91 p 5

[TASS report: "R. Strauss: 'I Would Risk a Few Billion Dollars.'"]

[Text] Washington, 19 November (TASS)—On the Subject of U.S. Food Aid for the 12 Republics of the Former USSR

The administration of President Bush has decided to provide the Soviet Union with additional food aid worth \$1.5 billion and to send it directly to the 12 republics of the former USSR rather than to the central government in Moscow. An official statement on the matter should be made before the end of this week. This was reported today by THE WASHINGTON POST, making reference to statements by highly placed U.S. officials.

According to the newspaper, the aid will be offered in the form of credits guaranteed by the federal government for the purchase of grain and for direct deliveries of food and technical assistance. Although this aid will be sent to the republics, judging from the report the Kremlin will play a coordinating role while the republics must provide the United States with guarantees of repayment of the loan. THE WASHINGTON POST believes that this step "signifies a new phase in the evolution of relations between the United States and the Soviets."

The main part of the aid consists of credits of \$1.25 billion guaranteed by the federal government to purchase American grain. The rest will be used for direct deliveries of food and financial assistance to set up wholesale markets and model farms, and to improve the food distribution system.

"Although President Bush has been talking recently about expanding links with the Soviet republics, the package of food aid represents the first official economic agreement between the government of the United States and the increasingly independent republics," the newspaper writes. "The decision confirms the administration's recognition of the disintegration of the central government of the Soviet Union. Bush has not been showing any desire to deal directly with the republics, partly because of the fear of undermining the positions of Soviet President Mikhail Gorbachev, with whom he has established close personal relations... Recently, however, an understanding has grown inside the administration that the republics striving for their independence is a fact of life, while the central government is collapsing."

The amount of aid is considerably less than what was requested by the USSR, and this has been a cause for disappointment among legislators from farming states on Capitol Hill who had been hoping for a large market to sell their produce. "This will be perceived very, very negatively by the farmers and by the market," said Senator Charles Grassley of Iowa. In turn, David Nagle (a Democrat from Iowa) emphasized that the aid is "too little and is being offered too late."

The U.S. ambassador to the USSR, Robert Strauss, shares that opinion. He met in Moscow with Western reporters and, according to THE WASHINGTON POST, stated that he is going to Washington in December and will try to increase the amount of aid. Robert Strauss also said that he is concerned about the growing opposition in the United States against aid for the USSR, and he insistently called on the West to provide food aid and for it to ease the debt burden of the country, "whose economy is in a difficult position."

Strauss intends to try to get aid in the quantity that "the Soviets expect." "I am absolutely convinced that their needs are what they say they are," he told reporters. "I would prefer to risk a few billion dollars in that country for the sake of our country... rather than not to risk a few billion dollars and face a fascist-type situation." At the same time Strauss recognized that the political climate in Washington, particularly with the upcoming elections, is making it difficult for the President to prepare a large aid package.

Dealing with the question of the desire of the republics for full independence, the American ambassador expressed the opinion that the republics are gradually recognizing the need to preserve the Union in a new form: "Sometimes the republics remind me of our children when they...were youngsters. They were delighted with total independence until their clothes got dirty and it was time to do the laundry." Robert Strauss believes that the center is still playing an important role in controlling nuclear weapons and the armed forces, and in international economic policy. He also had good words for President of Russia Boris Yeltsin, calling him "a very strong, straightforward, and knowledgeable person" who assesses realistically "the challenges that

the country faces" and the need to replace the Soviet Government with some new form of Union.

Businessmen Should Be Used To Distribute Food Aid

*PM2011140791 Moscow PRAVDA in Russian
15 Nov 91 p 4*

[Report by O. Voronin, coordinator of the AZIYA news agency: "Put Your Trust in the Entrepreneurs"]

[Text] Moscow—Western experts have stated on more than one occasion that there is enough food in the USSR not only to get through the winter but also to organize the spring sowing.

But clearly having despaired of explaining anything to a beggar sitting on bags of grain (that is how we look in sane people's eyes), the world community has nevertheless not remained an observer on the sidelines and has decided once again to organize food aid for us.

For this purpose a representative delegation of American politicians has come to Moscow, headed by Governor of Colorado Romer, president of the Democratic Governors Association, and Governor of Delaware Castle, a Republican and member of the council of the National Governors' Association. At meetings with Russian politicians attended by N. Travkin, leader of the Democratic Party of Russia, M. Astafyev, leader of the Cadets [Constitutional Democrats], V. Urazhtsev, leader of the "Shchit" union, and a number of representatives of new commercial structures, our guests put forward the new concept of food aid adopted by the United Nations, which came as a complete surprise to the majority of those present. Poland will deliver food for the \$1 billion earmarked for the U.S. program. And the EEC will settle up with it afterwards.

But at the meeting it became clear that in Russia at the moment there are no structures capable of "digesting" these deliveries, and the Ministry of Labor and Social Problems, under the leadership of Social Democrat A. Shokhin, which is being organized can only distribute food parcels to Moscow pensioners. But the issue in this instance is completely different. It is planned to deliver not only food but a great quantity of equipment for its storage and processing. Will K. Kagalovskiy, who is responsible for questions of foreign technical aid in the new government, be able to carry out the organizational work? I think that people have more faith in entrepreneurs. Yu. Milyukov, chairman of the exchange committee of the the Moscow Commodities Exchange, and K. Zatulin, one of the leaders of the Interregional Exchange Union, told of the purchases of goods on orders from the Moscow City Hall to create a strategic reserve for the winter and in particular for the spring months. The speeches made by the Novgorod, Arkhangelsk, and Tula administration heads and the leaders of the "Gefest" concern from Tula were marked by a specific approach and knowledge of the situation. The conclusion that comes to mind is: Would it not be better

to decentralize food distribution in order to avoid the bureaucratic labyrinths as much as possible? This course would certainly bring out Russian businessmen's reliability and patriotism.

Economic Aspects of U. S. Foreign Policy

*92UF0221A Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 10, Oct 91 (Signed to press 22 Sep 91) pp 18-28*

[Article by Vladimir Borisovich Benevolenskiy, candidate of economic sciences and learned secretary of ISKAN AN SSSR, and Andrey Vadimovich Kortunov, candidate of historical sciences and department head at ISKAN AN SSSR: "Economic Interdependence and U. S. Foreign Policy"]

[Text] Throughout American history economic factors have traditionally played a prominent role in how the national interests of the United States were defined, foreign policy tasks and priorities were shaped, and various elements of national might were used in the international arena.

Of course, realization of states' economic interests by means of foreign policy (by carrying on corresponding international talks, reaching agreements and forming alliances, exerting political and military pressure on enemies and rivals, and finally through military actions, seizing territory, annexation, and reparations) is an ancient phenomenon that has been well studied by historians, sociologists, and economists. Most of the existing theories of national interests focus precisely on the interests of economic development, and even security (ensuring the territorial integrity of a state, its political independence, and so on) is often viewed as a necessary condition, a prerequisite to the realization of economic interests.

At the same time one can probably say that the primacy of economic interests in American foreign policy has always manifested itself more vividly than in the foreign policy of a majority of other countries. This has been fostered by a number of conditions and circumstances: the United States' long isolation from the main world "centers of strength," its high level of security guaranteed by its geographic location, and the pragmatism traditionally characteristic of Americans, which has shown itself in foreign policy too. While in Europe political relations have often gone ahead of economic ties and created the foundation for advancing the economic interests of particular countries, the United States has been characterized by rapid economic expansion whose results were later consolidated in the form of political and legal relations.

Today too U. S. foreign policy is determined to a significant degree by the desire to strengthen its economic interests and create certain guarantees that these interests will not be threatened. In the final analysis "American leadership" in the Western world is just a

kind of "insurance policy" for the United States' privileged position in the world economy.

Many examples can be cited of specific foreign policy actions aimed at supporting American economic interests: pressure on Japan to limit the export of Japanese goods to the American market; giving political and military support to various "third world" states in exchange for an investment climate favorable to American corporations; American actions within the framework of COCOM which, in the opinion of observers, were often aimed at countering the rivals of American companies in their endeavor to establish new markets in the socialist countries; and the actions of the United States in the Persian Gulf crisis, which were caused, among other factors, by a desire to keep access to the petroleum resources of the regions. The organic unity of business interests with American foreign policy programs has already been treated in detail in the Soviet scholarly literature.

A second aspect of the relationship of economic might and foreign policy in the United States has been studied less, namely the question of using economic levers to achieve foreign policy goals. In other words, the question of how, in what forms and with what effectiveness, the American economy serves American policy.

Theoretically, economic might is a more convenient stool of foreign policy than many "traditional" instruments, among them military force. This is above all because the application of a state's economic might is not so dangerous and does not involve such significant costs. It is easier to use it "in measured doses," and even the harshest economic pressure does not cause as much of an outcry in the country against which it is directed as attempts at military-political blackmail. Moreover, economic influence is usually more stable and reliable than political influence, to say nothing of military pressure.

The experience of the postwar decades illustrates that all the achievements of any magnitude by American foreign policy rested on a solid economic foundation. For example, the policy of shaping a postwar system of international alliances which, despite certain obvious failures, can be considered generally successful, included as an economic component the Marshall Plan for the countries of Western Europe, a stabilization program for Japan, expansion of American capital investment in Latin America, and the creation of a system of influential international economic organizations, the IMF, GATT, and the IBRD [International Bank for Reconstruction and Development]. In particular, documents of the State Department contain evidence that within the framework of the Marshall Plan the United States used economic aid deliberately to stimulate unification trends in the political sphere in Western Europe, thus overcoming the contradictions among the European national states and strengthening and stabilizing the capitalist system as a whole.

Since the mid-1980's U. S. foreign policy circles have shown an awakened interest in economic problems, especially the possibilities of using economic levers in foreign policy. This interest is not accidental. It results first of all from a certain strengthening of the U. S. economic position in the last decade and growing confidence that the economic power of the United States guarantees it a position of strength in world politics.

On the other hand, the history of the last 10-15 years graphically demonstrates the decline in the effectiveness of traditional diplomatic means of carrying on foreign policy (for example, the prolonging of major international negotiations). With the attainment of strategic parity between the USSR and the United States the limitations of military force as an active factor of politics in the international arena also became a real factor. The failures of large-scale secret operations by the CIA and other American special services in Southeast Asia, above all in Vietnam; the unsuccessful attempt to free the American hostages in Iran; the inability to solve chronic conflicts in the Middle East and Central America by military means; and the high level of the economic, political, and ecological costs of large-scale military operations which were waged against Iraq demonstrate that this instrument is poorly suited to achieving strategic goals.

The United States today recognizes the impossibility of a one-sided orientation to military force in resolving serious political problems and takes account of the role of the economic component in achieving stable, long-term solutions of political issues. Even at the height of military actions against Iraq the American political leadership stressed that a key element in settlement of the situation in the Persian Gulf region would have to be creation of favorable conditions for economic growth by all countries of the region. The processes taking place in Europe also illustrate that under contemporary conditions the most effective means of action in the international arena today is a combination of military-political and economic actions.

The economic interdependence of a majority of the world's states, on the one hand creates certain limitations on the realization of foreign policy goals and, on the other, gives rise to new possibilities, especially for the economically strongest states which are capable of molding those models of interdependence which most suit their interests. We attempt below to identify the nature and scale of the influence of growing interdependence on the international political position of the United States and its potential for reaching particular foreign policy goals.

II

The objective basis of interdependence is, of course, internationalization of the world economy, that is the surpassing growth of world economic ties in relation to the development of world production. Between 1970 and 1989 the physical volume of the industrial production of the developed capitalist countries increased 171 percent while the

physical volume of export grew 270 percent and import rose by 248 percent. In the developing countries the physical volume of industrial production grew in the same period by 101 percent, while physical volume of export rose 46 percent and import 146 percent. In just 4 years, from 1985 to 1989, the volume of capital borrowed in international financial markets increased by more than one-quarter, reaching 300 billion dollars.¹ By the mid-1980's the proportion of overseas production of transnational corporations reached one-seventh of global production of goods and services.² The synchronization of the world economic cycle, set from the moment of the 1873 crisis to 1975, also illustrates the intensified interdependence of economic development of countries within the framework of the capitalist system.

Growing involvement in world economic ties is characteristic not only of small countries or countries that are experiencing a shortage of certain key production resources, energy raw materials, finances, and the like. This process is also fully typical of an economic giant which possesses everything necessary for autonomous economic development, such as the United States.

Between 1970 and 1989 the share of foreign trade turnover in the U. S. GNP rose from 8 to 18 percent.³ The volume of direct private U. S. capital investment abroad rose from 83 billion dollars in 1971 to 327 billion in 1988. In this same period the volume of direct private investment in the American economy rose from 14 to 329 billion. The total of American assets abroad rose from 165 billion dollars in 1970 to 1,254 billion dollars in 1988. The total of foreign assets drawn into the American economy increased in this same period from 107 billion dollars to 1,786 billion.⁴ Thus, the integration of the U. S. economy into the world economy reached a qualitatively new, higher level in the last two decades.

By itself, however, this does not signify growth in objective potential for American political influence. History has many examples of how a particular country's inclusion in a certain system of international economic relations limited its political opportunities, tied it to definite partners, and made it vulnerable to economic pressure from them. Economic interdependence engendered by the growth of world economic ties very rarely takes the form of equal, symmetrical mutual dependence among the participants in international relations.

Therefore, the states participating in international economic relations often differ sharply from one another by the scale of their economic potential, technological development, and place in the international division of labor; the interdependence among them is usually asymmetrical. In our scholarly literature asymmetrical interdependence has often been equated with one-sided dependence and criticized as a manifestation of neocolonialism and unequal economic relations, the result of a strategy aimed at subordinating states which are less developed economically to the more developed ones. One can hardly agree with such an interpretation of asymmetrical interdependence.

Above all, it is an objective phenomenon that does not depend on political goals. There cannot be equal interdependence in economic relations between the United States and Honduras, between the USSR and Mongolia. Moreover, this kind of asymmetry can, for a number of parameters in bilateral relations, promote stability of the system of relations as a whole. In other words, the sum of many bilateral asymmetries creates a stable system of global multilateral interdependence, a set of relations whose breakup has significant negative consequences for each of the parties, which allows mutually dependent subjects to maneuver actively within the framework of the established asymmetries.

It is a different matter that attempts are sometimes made to use this asymmetrical quality for political purposes. These attempts usually produce only tactical successes, and only when the object of the pressure is involved in a bilateral, not multilateral, system of interdependence.

The existence of relations of interdependence predetermines the range of strategic interests of their participants, and the degree of asymmetry of the interdependence predetermines the potential for the partners to exert a vigorous influence on one another.

III

From the standpoint of the new opportunities that are opening up for U. S. policy as well as the objective limitations on this policy, it is especially interesting to analyze the nature of the interdependence of the U. S. economy and the world economy in four spheres: credit and finance; science and technology; energy and raw materials; and food. In each case we are dealing with a specific model of interdependence which has a different impact on U. S. political capabilities in the world.

1. The credit-financial interdependence has the most starkly asymmetrical character. Financial assets in foreign hands in 1988 were just 6.4 percent of all assets in the United States. The outflow of direct private U. S. investment abroad in 1980-1988 was only 3.7 percent of private production capital investment within the country during these years, and the influx of direct foreign investment in the United States in the same period was 6.9 percent of internal production capital investment. The accumulated volume of direct foreign investment in the United States in 1988 reached just 5.1 percent of the assets of non-financial American corporations.⁵

Considering that the dollar continues to be the primary reserve currency in the world and that the United States has a leading role in the key international economic organizations, it can be said that the U. S. financial system determines the functioning conditions of the world financial system more than it depends on them. In the credit and money sphere the Americans have significant potential for influencing the macroeconomic parameters of other states. Manipulation of the interest rate (when it rises) evokes an influx of foreign capital to the United States, draining other financial markets.

Movement of capital in the other direction when American interest rates decline can lead to an excess of capital resources in other countries, which threatens increased inflation. The exchange rate of the dollar is one of the most important factors that determine the direction of international commodity flows. Countering unilateral U. S. measures in the credit and money sphere is a difficult and expensive business because it requires the combined efforts of most of the main partner-rivals, and as experience shows, such unity can be hard to attain.

Under these conditions the United States' financial tools have great potential as levers of political pressure, above all in relation to developed countries which have "open" financial systems and to developing countries which are greatly dependent on an influx of financial resources from abroad. As the Eastern European countries and the USSR are drawn into the world currency-financial system they too will enter into relations of asymmetrical interdependence with the United States. It is very probable that the United States will try to extract the maximum political advantage from this situation.

The U. S. problems that flow from the growing foreign indebtedness and the deficit in the trade and payments balances should not be exaggerated. The indicators cited above which characterize the scale of the cumulative, not ongoing dependence of the U. S. financial system testify to the preservation of an adequate margin of safety and the autonomy of the American economy. Use of the means of protectionism, state export subsidies, and control of international credit transactions could quite quickly eliminate the foreign trade and balance of payments deficits, but blocking off foreign economic ties plainly contradicts both the economic and foreign policy interests of the United States, which uses the existing asymmetry in economic interdependence to solve many major questions in its own international relations.

2. The second exceptionally important sphere of interdependence is scientific-technical progress. Here the United States occupies a special position, resulting from the fact that it has potential that allows it to carry on research along the entire front of scientific-technical progress. At the same time, by concentrating resources in certain selected areas of scientific-technical development and through organizational advantages in the stage of diffusion of innovations Japan, the Western European countries, and the new industrial countries have been able to achieve significant successes. The degree of asymmetry in favor of the United States in the framework of scientific-technical interdependence is much less than in finances or economics as a whole. The American market for science-intensive and technically complex output is really strongly interlinked with the corresponding world markets. Whereas the proportion of import in consumption of certain key types of science-intensive and technically complex products in the United States in the early 1970's was no more than 6-8 percent, by the end of the 1980's Americans imported about one-quarter of the electronic components used, one-third of the computer equipment, industrial robots,

and forge and press equipment, one half of the metal-cutting lathes, and two-thirds of the processing centers with DPC [digital programmed control]. At the same time the proportions of analogous types of products exported from the United States hardly changed at all and remained at the level of 10-20 percent (see Tables 1 and 2). This shows the logic of the heightened attention that the American leadership gives to these aspects of relations with their allies and also with the new industrial countries. The economic and political significance of the level of scientific-technical development is constantly rising. The United States is forced to make efforts to find mutually advantageous variations of cooperation in the sphere of science and technology with states that have major achievements in this field such as, for example, participation by the allies in the realization of the SDI, permitting foreign capital into science-intensive sectors, organizing joint enterprises in the United States, and encouraging the import of foreign innovations, which makes it possible to economize on the savings fund during structural reorganization of the economy. In the matter of export control, after unsuccessful unilateral measures in the early 1980's, official American organs resorted to a number of concessions (lessening restrictions on trade in computer equipment) in order to strengthen the international structures of export control within the COCOM framework.

Table 1. Proportion of Import in the Consumption of Certain Types of Science-Intensive and Technically Complex Products in the United States (in percent)

| Product | 1972 | 1980 | 1987 |
|-----------------------------|------|------|-------|
| Metal-Cutting Lathes | 8.0 | 22.5 | 50.9 |
| Forge and Press Equipment | 6.0 | 17.1 | 29.4 |
| Processing Centers with DPC | - | 20.8 | 66.1* |
| Industrial Robots | - | - | 33.3* |
| Computer Equipment | 0.0 | 6.2 | 31.5 |
| Electronic Components | 6.2 | 17.3 | 23.1 |
| *1986. | | | |

Source: "1989 U.S. Industrial Outlook," Washington, 1988, pp 23-2—23-7, 30-2, 30-9, 34-1, 34-2.

Table 2. Proportion of Export in Production of Certain Types of Science-Intensive and Technically Complex Products in the United States (in percent)

| Product | 1972 | 1980 | 1987 |
|-----------------------------|------|------|-------|
| Metal-Cutting Lathes | 15.1 | 13.7 | 21.6 |
| Forge and Press Equipment | 18.4 | 24.3 | 22.0 |
| Processing Centers with DPC | - | 13.8 | 10.2* |
| Industrial Robots | 11.6 | 19.2 | 19.1 |
| Computer Equipment | 21.3 | 29.5 | 36.3 |
| *1986. | | | |

Source: "1989 U. S. Industrial Outlook," Washington, 1988.

The scientific-technical interdependence of the United States and its primary allies in Western Europe and the Far East, which took on not just an economic but also a military measure in the 1980's, strengthens the traditional priority of Western Europe and Japan in American foreign policy of the postwar years.

It should be stressed, however, that the United States retains considerable potential for following a policy of technological hegemonism and using scientific-technical cooperation in its own interests. Overall the United States still preserves its leadership at present not only in the sphere of pure research, but also in the production of the most complex, science-intensive articles, conceding the "lower" part of the spectrum of "high-tech" output to its competitors. For example, the average cost of imported industrial robots in 1989 was 11,000 dollars a unit, while the average cost of the industrial robots made by American producers was 38,000 dollars.⁶ Thus, the American suppliers produced the most expensive, and therefore technically sophisticated products. While giving way to Japan in the production of home radio electronics and personal computers, the United States is keeping its position in the production of large and super computers. American companies also dominate the world markets for software, one of the key goods in any highly developed economic complex, and also in "artificial intelligence." The nature of the U. S. advantages also predetermines the direction of possible use of these advantages in the interests of foreign policy, because these products find effective application only in the highly developed economic complexes.

As for the Eastern European countries and the USSR, at the present time they do not have any really developed relations at all with the United States in the scientific-technical sphere. The nature of these relations—if they take shape in the future—and whether or not this makes it possible for the United States to exert political pressure depends above all on the strategy of scientific-technical development which is adopted by these countries. The policy of copying American achievements and trying to make import one of the main sources of technological development with this import oriented primarily to the United States would lead to the creation of a model not even of asymmetrical interdependence, but rather one-sided dependence on American technology. In this case scientific-technical advances will be a powerful lever of American policy in relation to the countries of Eastern Europe and the Soviet Union.

On the other hand, a strategy based on intensive development of our own scientific-technical base, maximally effective use of the advances of pure science for production purposes, and preferential cooperation with the countries of Western Europe and East Asia in the development of new technologies and introducing them will then make it possible to enter into relations with the United States that have less asymmetrical interdependence. This strategy also seems preferable because the states which are rivals of the United States in the scientific-technical sphere have an objective interest in

coordinating efforts with the states that have world-level scientific-technical potential in at least several spheres, in order to overcome their own asymmetries in technological exchange with the United States.

3. U. S. dependence on import of energy and raw materials changed greatly under the influence of the latest stage of the scientific-technical revolution, which unfolded in the second half of the 1980's. Introduction of the achievements of the "microelectronic revolution" made it possible to achieve major success in resource conservation. The contemporary structural reorganization of the economies of the developed countries has far-reaching consequences. In material production the new structural nucleus has become the set of science-intensive sectors, which have comparatively low energy- and materials-intensiveness. The continuing growth of the service sphere has been stimulated in recent years by a broadening of demand for business services: programming, service of systems of computer and automated equipment, and consulting. In essence it is being integrated with material production, and as a result the service sphere ceases to be a kind of "superstructure" above the base of material production; rather it plays a key role in the reproduction not only of the "human factor" (education, health, recreation), but also material wealth.

The resource-saving trends in the United States in the last 10-15 years can be described by the following indicators. Specific consumption of energy resources declined by 27 percent in the period from 1972 to 1989, including a 40 percent drop for petroleum and natural gas. The total volume of consumption of energy resources rose by just 13 percent in these years.⁷ From 1970 to 1988 specific consumption of iron ore declined by 80 percent, of lead by 36 percent, copper 24 percent, and cement 36 percent.⁸ In part these processes are linked to retardation of the rate of economic growth, but the basic cause is structural changes in the economy.

These trends in consumption of raw materials and energy have mitigated but not eliminated the dependence of the American economy on foreign supplies. It is unlikely that the "energy-raw material" factor can be used to pressure the United States, for example by OPEC or similar raw material cartels of the "third world." In addition to the transition to the resource-conserving type of economic development the United States has also established other stabilizers to counter situations like the 1973 "petroleum shock." U. S. policy has been oriented to diversification of sources of energy raw materials, above all petroleum supplies, and also to creation of reserve supplies of strategically important types of raw materials. The United States' main allies have taken similar steps.

Moreover, the third world countries who have large incomes from exporting raw materials to the United States will be restrained from attempts to use their energy and raw materials exports as a lever of pressure by the fact that they have a critical need for the various

kinds of modern equipment and the credit resources of the United States and its main allies, in order to meet the challenges of their own economic development.

Of course, the threat of long-term destabilization and significant changes in the established system of energy raw materials supply of the developed capitalist countries will be taken badly by them. Iraq's seizure of the Kuwaiti oil fields drew a very harsh reaction from the United States and the other countries which have economic interests in the Middle East. But in this case we are dealing with the prospect of a fundamental disruption of the status quo in the region, capable of going far beyond the framework of the "margin of safety" accumulated by the primary consumers of Middle East oil in the process of many years of adaptation to the consequences of the "petroleum shock" of the 1970's. It also should not be forgotten that the military actions in the Persian Gulf did not begin so much as a result of the action of economic factors, but were above all a reaction to Iraq's crude flaunting of the norms of international law by occupying a sovereign, independent state. In other conditions the international community, including the United States, might have limited itself to supporting economic sanctions.

Current trends in the production and consumption of energy and raw materials in the world allow us to note that if the present structure of export—where raw materials and semifinished articles are primary—of the majority of countries of Eastern Europe, including the USSR, is preserved, there exists a possibility of sharp clashes between them and the developing countries in the Western markets. The United States will, undoubtedly, use such a situation for political purposes, pitting one against the other and bargaining the most advantageous conditions of economic and political relations for itself. This is already happening in some raw material markets. In all likelihood this strategy can be countered in two ways: first, by changing the structure of export as quickly as possible, and second, by expanding coordination of export activity with countries that produce similar kinds of raw materials and semifinished articles.

4. In the late 1980's the United States remained one of the major producers of agricultural output in the world and the leading exporter of certain key types of food and feed. The United States accounts for more than half of world production of soybeans, almost half of the production of grain corn, about 15 percent of wheat production, and 16 percent of meat (slaughter weight). American export of grain corn and soybeans is 65-75 percent of the world total, while its wheat export is 30-40 percent and rice is 17 percent.⁹

About 40 percent of American agricultural exports go to Asian countries, including almost 20 percent to Japan. Western Europe accounts for 20-25 percent of American agricultural export, Latin America 15 percent, and the Africa countries 6 percent.¹⁰

The effectiveness of using food policy to achieve particular foreign policy objectives in the future will be determined by the development of agricultural production in other regions of the world (above all in the developing countries and the USSR) as well as the very important factor that American production of key food and feed crops is very export-dependent. In the 1980's about one-quarter of the grain corn, approximately 40 percent of the soybean harvest, and more than half of the wheat harvested went for export.¹¹

IV

The regional structure of international economic relations is also an important factor in shaping American foreign policy priorities.

In the last 10-15 years the developed countries have continued to occupy the principal place in U. S. foreign economic ties: they account for two-thirds of foreign trade, three-quarters of American overseas investment, and nine-tenths of foreign capital investment in the United States.¹²

The economic interests of the United States, Western Europe, and Canada are especially closely intertwined. The Western European countries are the leading foreign investor in the United States (almost 70 percent of all foreign capital investment in 1988). In the last 10 years the Western European share in all foreign capital investment in the United States has risen from 42 to 48 percent.¹³

In U. S. foreign economic ties with the third world, Latin America continues to be first (12-14 percent of foreign trade), but in the period from 1975 to 1988 the proportion of relations with countries of the Pacific region—above all with the group of fast-developing states in Southeast Asia: South Korea, Taiwan, and Hong Kong—rose from 5 to 10 percent of foreign trade.¹⁴

The data cited on the development of economic interdependence permit us to draw the conclusion that the United States' relations with the developed capitalist countries, above all with the main states of Western Europe, Canada, and Japan, have a priority role. They are joined by an interest in further development of the international capital market and exchange of scientific-technical advances. Under current conditions the financial system and scientific-technical innovations are the main elements of economic development. The significance of the energy and raw material component is diminishing (considering the remarks above about sharp, large-scale changes in the conditions of energy and raw material supply to the industrially developed countries). It follows that growth in the "self-sufficiency" of the industrially developed countries and certain new industrial countries adjacent to them is likely and the relations of this groups of states will probably be closed in nature.

In all likelihood we can expect that the economic significance of the developing countries for the United States

(with the exception of the countries of East and South-east Asia, the Middle East, and the leading states of Latin America) will decline. This should then lead to a diminution of the place of the developing countries in the system of American foreign policy priorities. The United States can be more patient with political overthrows, social upheavals, and economic changes that take place in most of the regions of the "third world."

Of course, this situation will not mean that the United States completely withdraws from those developing countries which are losing their importance for America, or that the United States will renounce interventionism in the "third world." But the lower priority of certain regions (for example Tropical Africa or South Asia) creates new tactical opportunities for Soviet foreign policy. It is very important not to give in to the temptation to "fill the vacuum" which is forming in these regions, not aspire to become involved politically and economically in regions that do not hold vitally important interests for our country. It would be an extremely counter-productive policy on the strategic level, although it is attractive in some tactical senses, to try to unite the "world village" that remains outside the developing system of global economic interdependence under the aegis of the USSR and pit this "world village" against the "world city."

A more promising policy is to consistently include the USSR in existing subsystems of interdependence, even considering that for all the foreseeable future this interdependence will be extremely asymmetrical for the USSR and our partners will unquestionably use this for political purposes. The experience in the last 1.5-2 years with carrying out market-type economic transformations in the USSR and efforts to open up our economy for broader contacts with Western partners testify to the significant advantages of this policy. Among other things, it undoubtedly helped overcome a number of long-standing problems of our economic relations with the West—weakening of the export control system and nomination of the USSR for membership in international economic organizations; it made it easier to obtain credit, and for the first time in many years aroused real interest in large investments in modernizing the Soviet economy. The prospect of integrating the Soviet economic space into the world market is calling forth efforts in the West to look for solutions, acceptable to the Soviet side, to major political problems, including the questions of shaping new structures of security and economic development in Europe. Growth in the potential of the economic interdependence of the USSR and other countries within the framework of the world market will, in our opinion, promote diversification of the USSR's foreign policy tools and create favorable opportunities to conduct an active foreign policy.

Footnotes

1. Calculated according to "The Economic Position of the Capitalist and Developing Countries, Supplement to

the Journal ME i MO, Survey for 1989 and Early 1990," pp 7, 32, 36, 150, 152; op. cit., "Survey for 1985 and early 1986," p 10.

2. "Transnational Corporations in World Development: Trends and Prospects," United Nations, New York, 1987, p 102.

3. Calculated according to "The Economic Position of the Capitalist and Developing Countries, Supplement to the Journal ME i MO, Survey for 1987 and Early 1988," p 55.

4. "Statistical Abstract of the United States," Washington, 1990, p 793.

5. Calculated according to Ibid., pp 425, 492, 525, 793; "Statistical Abstract of the United States," 1989, Washington, p 421.

6. "1990 U. S. Industrial Outlook," Washington, 1990, p 21-4.

7. Ibid., p 3-3.

8. Calculated according to "Statistical Abstract..." op. cit., 1988, pp 407, 667-671; op. cit., 1990, pp 425, 700-702.

9. Op. cit., 1987, pp 641; op. cit., 1990, p 656.

10. Op. cit., 1987, p 640; op. cit., 1990, p 656.

11. Op. cit., 1987, p 642; op. cit., 1990, p 656.

12. Op. cit., 1987, pp 780, 782, 792-795; "Survey of Current Business," No 6, 1987, pp 43, 45; "Statistical Abstract of the United States," 1990, pp 806-809.

13. Op. cit., 1987, pp 780, 782; "Survey of Current Business," No 6, 1987, pp 43, 45; "Statistical Abstract...", op. cit., 1990, p 793.

14. Op. cit., 1987, pp 792-795; op. cit., 1990, pp 806-809.

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Acceleration of Presidential Campaign Viewed

92UF0209A Moscow IZVESTIYA in Russian 13 Nov 91
Union edition p 6

[Article by IZVESTIYA Correspondent A. Blinov: "The Candidates Are Removing Their Gloves: The First Chords in the US Election Campaign"]

[Text] WASHINGTON. The first chords of the American presidential campaign resounded loudly late last week. US President George Bush, seeking re-election for a second term, spoke out with sharp criticism of the leaders of the Democratic Party at meetings with Republicans in Texas. At the opposite end of the United States, in New Hampshire, Democratic presidential candidates

for the 1992 election were vigorously criticizing the policy of the Republican Administration.

Leaders of the Democrats in Congress became the target of presidential criticism: that "privileged minority," who, in his words, "are trying to place themselves above the law, and put serving the interests of special groups above service to the country's interests." As the President declared, the Democrats controlling the Congress are taking advantage of the difficulties facing the USA for political attacks on the Administration. At the same time, the President believes, it is precisely the Democrats, who stand on positions of "old thinking," who are hindering the Administration in seeking "new solutions" to the problems badgering the country. "From now on, I will respond to anyone who subjects me to demagogic attacks," declared the President.

The President's cautions had no effect on the tone of the speeches of Democratic Party activists gathered in New Hampshire, where one after another five of the six Democrats officially vying for the nomination in the Presidential election spoke. "George Bush, come to New Hampshire and see the harm your domestic policies have inflicted on this state," declared former senator Paul Tsongas.

Another aspirant, Arkansas Governor Bill Clinton, condemned the Administration for the "breakdown of the country." From the point of view of Virginia Governor Douglas Wilder, George Bush places improper accent on questions of racial relations which are "breaking up" the country. "It's time to take off the gloves and stop apologizing for the fact that we are Democrats," said Iowa Senator Tom Harkin. In his words, it is namely the Republicans who are "conducting a political policy which serves the interests of the few."

As President of the nation, George Bush is constantly at the apex of public attention, and this allows him to take his time in officially offering his candidacy. This will be done, according to press reports, only on 1 February next year. However, he already has the working nucleus of an election campaign, and a campaign fund. At two functions in Texas, dinners where one "landing place" costs a thousand dollars and additional contributions were solicited, he collected two million dollars right off. Vice President Dan Quayle, speaking at parallel functions, collected another million dollars. By all indications, the Republican electoral ticket will have no financial problems.

There are six names on the list of official candidates from the Democratic Party. In addition to the aforementioned persons, the list includes Robert Kerry, senator from the State of Nebraska, and former Governor of California Edmund (Jerry) Brown. Not one of them is an undisputed favorite, and not one of them has yet assembled a war-chest sufficient for waging an extended battle.

With all their popularity, these candidates cannot assert with confidence that they are made from "presidential batter." Moreover, they themselves often acknowledge

that, in the battle with a popular President, their chances are not great, and even contain a political risk of major defeat.

In the opinion of political commentators, the most noteworthy candidates in New Hampshire are Bill Clinton and Bob Kerry. However they too do not thus far have any guarantee of success at the primary elections in February. Four out of every five participants in the meeting of Democratic Party activists have not stated their preference for one of the aspirants.

According to data from public opinion polls, President George Bush remains the most popular American politician. However, the indicator of public approval of his actions has slipped from a peak of 90 percent in the period of the conflict in the Persian Gulf, to 59 percent at the present time. According to data from a poll taken by ABC Television and the WASHINGTON POST, 87 percent of those polled expressed their dissatisfaction with the economic situation.

The President is often accused of devoting too much attention to foreign policy questions—the most successful aspect of his activity. George Bush himself rejects these judgements as demagogic. "The world today is integrated to the extent that it is not possible to separate foreign policy from domestic policy," he declared in Texas. The President re-addressed accusations of ineffectiveness in finding ways out of the decline to the Democratically-controlled Congress.

These days American newspapers frequently remind the readers of the widespread conclusion that in the election, the voters are swayed most of all by the state of their pocketbook. At the very same time they admit that the present downturn is not significant enough to seriously affect the results of the voting, or to undermine the position of the popular President. It is indicative that a number of influential Democrats seen as potential candidates, have decided it is not to their advantage to enter the present round of the battle for the presidential seat. Among them are Senators Gore and Nunn, and Richard Gephardt, Democratic leader in the House of Representatives.

All the same, who among the Democrats is most capable of competing with George Bush in the battle for the post of President? Such a person is believed to be a politician who has not yet entered the list of official aspirants. This is New York State Governor Mario Cuomo, who was supported by 30 percent of the respondents in one public opinion poll (while at the same time 58 percent gave their preference to George Bush). Cuomo himself, in recent public statements made it known that under certain conditions he might re-consider his refusal to campaign for the post of President, but would not go any farther. Forty-nine-year-old Mario Cuomo is well-known as an experienced politician of liberal tendencies, and is the finest orator among the Democrats.

Journalists asked one of the official aspirants from the Democrats, Bob Kerry, to evaluate Cuomo's prospects in

the event he is nominated as a candidate. "This is a weighty political leader with broad popularity and significant financial possibilities—an overwhelming combination for any election campaign," answered Kerry. As the leader of a major state with a powerful Democratic Party organization, large businesses and large trade unions, major universities and research centers, Cuomo could in a very short time put together an effective election headquarters, and mobilize huge financial assets for purposes of conducting a campaign.

Even the participation of Mario Cuomo in the primary election process could provide overall political weight to the Democrats. From the point of view of Paul Tsongas, "In order to defeat George Bush, one has to be successful in the serious competition for nominating a candidature. Whoever wins in a race with Cuomo would have the necessary charge of energy for the battle with Bush."

White House Chief of Staff John Sununu, responding to questions from one of the television commentators on the prospects of Mario Cuomo stated, that he is "smart enough" to not submit his candidature in the present Presidential election. Nevertheless, in the analysis of one of the influential television commentators, Cuomo is "the potential candidate, whom the Republicans fear most of all."

Until next June, when the Democratic Party Congress is held in New York, the aspirants for the presidential post from its ranks will be waging an election campaign on two fronts—among themselves, and with the President and the Republicans. Taking into consideration the "division of forces" in the party, the American press does not exclude the fact that the primary election process will not produce a clear favorite among the Democrats.

Changes in the mood of the electorate are fraught with sudden surprises. American political strategists were convinced of this a week ago, when a number of states held special elections (Re-elected were two state governors, local legislative organs, mayors of certain cities, and also three members of Congress—for vacant seats).

In at least two key states, the voters spoke out for change. In New Jersey they tipped the scales in the state legislature in favor of the Republicans—to spite the Democratic governor who had sharply raised taxes. In Pennsylvania, in the election for the US Senate seat from this state, the Democratic Party representative, Harris Wofford, was given preference over the Republican candidate.

At the start of the election battle, Wofford was significantly behind his opponent, Richard Thornberg, formerly governor of this state, and for the last three years Attorney General in the Bush Administration. Commentators affirm that Thornberg lost popularity in the state just because he was seen as a representative of the Washington authorities. The failure of the former Attorney General was received with considerable pain in the American capital. "I have a hard battle ahead of me," said George Bush, commenting on the election news. Right then and there he cancelled a visit to Japan, South Korea and Australia which had been planned for several months.

Presidential advisors gave journalists to understand that Bush reacted painfully to the accusation that he spends too much time abroad. Moreover, the head of the Administration decided that it would be better for him to be in Washington at the time Congress begins to examine new legislative initiatives in the socio-economic arena. The quick reaction of the President is evidence of his decisiveness in switching his attention to domestic affairs. It is precisely these, apparently, that will be the basic theme of the 1992 presidential campaign.

Defense Ministry Expresses Regret Over 1952 Plane Downing

LD1811200491 Moscow TASS International Service
in Russian 1452 GMT 18 Nov 91

[By TASS correspondent Andrey Naryshkin]

[Text] Moscow, 18 Nov (TASS)—An investigation into the circumstances of the disappearance of a DC-3 Swedish military aircraft over the Baltic Sea in June 1952 has been carried out at the request of Sweden, TASS was told today at the USSR Ministry of Defense press center. According to the results of the investigation, it has been established that the Swedish aircraft was shot down by a Soviet fighter over the open sea some 100-110 km to northwest of the city of Ventspils.

What happened in June 1952 should undoubtedly be regarded as a crude violation of generally recognized standards of international law, a Defense Ministry representative stated. A partial explanation of what happened in seen by the fact that this was a time when the "cold war" was particularly intense. And the situation in the Baltic was also tense.

The Swedish side has been informed in detail about the circumstances of the case. The USSR Ministry of Defense regrets what happened and expresses deep condolences to the relatives of those who died, the press center spokesman said.

NATO Council's 'New Strategic Concept' Evaluated

'Turnaround' Seen

92UF0207A Moscow PRAVDA in Russian
11 Nov 91 p 4

[Article by PRAVDA Special Correspondents N. Miroshnik and V. Peresada, Rome, November 10, 1991: "The Rome Turnaround: Results of the NATO Council Summit Session"]

[Text] So, the meeting of NATO country leaders in Rome has ended, having marked the North Atlantic Alliance's reaction in response to the unprecedented changes in Europe, especially in its Eastern part. This is precisely how the main results of the session are being assessed in Italy and, judging by press commentaries, in other countries of the world.

This reaction was specifically formulated in the meeting's two main documents. One of them is "The New Strategic Concept of the Alliance." It actually marks the rejection of the former confrontational approaches. The cardinal provision of this document is the recognition of the fact that the "threat from the East" no longer exists. This conclusion determines everything else and the political and military sections of the alliance's current strategy is structured based on it. NATO did not consider it necessary to correct its main political goal, which it proclaimed many years ago—establishment of a just

and durable peaceful order in Europe. It sounds quite reassuring and that is why it has remained unchanged. Just like the intention to "insure the freedom and security of alliance member-countries through a combination of political and military means."

The essence of the innovation is that henceforth emphasis in this bundle, known as the "Armel Doctrine," will be placed on the political component. Accordingly, the military portion of the strategy was examined: the security of the NATO countries will be insured at the "minimal level of defense" which entails a significant reduction of NATO troops and weaponry in Europe. In so doing, a completely new factor is being introduced into the "Armel Doctrine"—a policy toward cooperation with the former enemies behind the Iron Curtain.

This policy has been founded in detail and recorded in the separately adopted "Rome Declaration on Peace and Cooperation." And it not matter to whom we talked here, we heard one and the same thing: the declaration is the most impressive result of the meeting.

First of all, the document clearly states for the first time that the security of NATO must be viewed in the context of European-wide security. While assigning a significant role to their own structures, at the same time NATO already no longer considers itself as an "alternative to the CSCE process" as it did before. On the contrary a series of specific proposals have been set forth that are directed at the development of this process and at cooperation with it.

Second, and this is the main thing, a series of initiatives have been developed that are directed at the development of relations with the USSR and the countries of Eastern Europe. The issue has been raised for the first time about institutionalizing these relations. Specifically, they propose creating a North Atlantic Council on Cooperation—an organ of regular political consultations and meetings at the highest political level. They propose founding it already in December 1991 at a special meeting in Brussels with the participation of the ministers of foreign affairs of the Soviet Union, the countries of Eastern Europe, and the three Baltic states.

At the same time, it is impossible not to see this circumstance. The concept of the "Soviet threat" has been replaced in the NATO lexicon by something else—"risk." Its geography has also been designated, first of all—Eastern Europe and the Soviet Union which is "undergoing a difficult political evolution" and "as before has impressive military potential."

Due to this circumstance, a special document was adopted "On the Evolution of the Situation in the USSR." Having expressed in it support for the process of democratization in the Soviet Union and the intention to render practical assistance in overcoming difficulties, the conference at the same time expressed concern about the increase of instability in the USSR. Special alarm is seen with regard to the future of the Soviet nuclear

arsenal and the prospect for its distribution throughout the individual republics. "We appeal to all authorities," the document states, "to restrain themselves from any steps which would promote the proliferation of nuclear weapons... We welcome the intention of the Soviet leadership to insure responsible and reliable control over these weapons by a single organ of power."

This document, which appeared at the initiative of the United States, was not approved by all conference participants. It has already become known after completion of the meeting that France refrained from signing it. France did this because, President F. Mitterrand explained at a press conference, the document was "totally unexpected and appeared from nowhere," and also because NATO "is not a governess of states that are not part of the alliance and does not play the role of missionary." It is thought here that this position of France's has been dictated by the fact that, in its assessment, the document's content goes beyond the framework of NATO's competence and borders on interference in the internal affairs of third countries.

At the concluding press conference, NATO Secretary General M. Werner attempted to smooth over this difference. Italian Prime Minister G. Andreotti acted in the same way when he said that Paris essentially does not agree with one paragraph of the statement. Information was leaked to the press that it was a question of France's particular dissatisfaction "with the prescriptions concerning the transition to a market economy." However, it seems to us that the problem is much broader.

Considering this, we asked M. Werner: "Does NATO have any sort of specific plan in the event of the loss of effective centralized control of nuclear weapons in the USSR?" We saw that he did not particularly like the question. And this is what we heard in response: "I would not like to examine hypothetical situations here. But we have considered it necessary to express our common desire that nuclear weapons in the country that was called the Soviet Union remain under a unified command authority."

Naturally, NATO's Rome decisions require comprehensive and thorough analysis. However, their overall positive charge is already obvious right now and also at those times which cause us to be on guard. Much in the development of the situation on the continent and in relations with NATO will also depend on us and on the Eastern European countries. Time will tell how the course toward cooperation that was proclaimed in Rome will be implemented in practice.

Shift Credited to Gorbachev

92UF0207B Moscow PRAVDA in Russian
12 Nov 91 p 5

[Article by PRAVDA Special Correspondents N. Miroshnik and V. Peresada, Rome: "Rome 40 Years Later: Is the North Atlantic Alliance Changing?"]

[Text] According to a number of circumstances, the conference of the leaders of the NATO countries that recently occurred in Rome provided journalists with the opportunity "to play with their pens." And many of our nearly 1,500 colleagues who covered its work took advantage of this, naturally, each in his own way. For some the fact that the Eternal City was selected as the site of the meeting served as grounds for discussions on the alliance's "unlimited viability." Others, while reporting that Christopher Columbus Prospect passes by the fashionable Sheraton-Evropa Hotel where the leaders of the 16 states met, occupied themselves with the theme of "the inviolability of Transatlantic solidarity."

In our opinion, the specific feature of the Rome meeting is leading to "tying things up" one more time. Until now, the NATO Summit Council has only gathered once in the Italian capital—exactly 40 years ago. By the way, the "anniversary" time is not so curious as something else: the agendas then and now resemble each other in subject matter but in essence—they are totally opposite.

Having found an old information pamphlet published by the NATO press service, We read: "The session in Rome, November 1951. Based on analysis of the European situation, the alliance's strategy was discussed for the purpose of strengthening its defense capabilities. A directive was issued to deploy NATO's integrated forces in Europe." And here are the lines from the final documents of the current meeting: "Considering the changes that have occurred on the European Continent, a new strategy has been adopted that provides for the lessening of the military accent in NATO activities... The structures and strength of the integrated forces will be substantially reduced."

This parallel seems to be quite substantial to us.

No matter what you say right now about Gorbachev's policies, while bearing in mind the country's domestic problems that have developed, it indisputably provided weighty results in a foreign policy context. And the transformation of the North Atlantic Alliance, this eternal "imperialist bugaboo" and, if we speak seriously, this alliance that feared our military might and therefore rallied Western states—is a graphic example of this. One of us well remembers how in December 1989 then Minister of Foreign Affairs Shevardnadze, the first Soviet leader who visited NATO's Brussels headquarters, was asked this question: "What do you feel, being in the den of the enemy?". "That we are no longer enemies," he answered, thus having marked the main shift in our own approach to relations with the West.

Now in Rome NATO's reaction in response to this shift has been indicated.

In our opinion, we can actually consider the new strategic concept that has been approved here as new. In any case, it has been seriously revised. These are the cardinal shifts: recognition of the fact that the West—East confrontation in Europe has ended; intensification of the political aspect in NATO's activities; a shift to insuring

the security of alliance countries with fewer military weapons and its clear involvement in the context of European-wide security; and, a policy toward cooperation with the CSCE process, including disarmament measures.

Finally, one more absolutely new principle—cooperation with its Eastern neighbors—is being added to the bundle of the two long-held NATO principles—defense plus the readiness for a dialogue. A number of specific initiatives has been set forth to establish relations. As a whole, they are directed at imparting a permanent nature to cooperation and to formulate it, one could say, organizationally. With this goal in mind, they propose establishing a North Atlantic Council on Cooperation—an institution of regular political consultations, including annual consultations at the ministerial level. They intend to convene the founding meeting on December 20th in Brussels where the ministers of foreign affairs of the USSR, the Eastern European countries, and the three Baltic states will be invited.

This is a major, and we need to say, worthy initiative. Specifically because it does not contain attempts to divide the “former East” into more or less acceptable partners. It is no secret that recently a number of Eastern European countries have persistently posed the question to the alliance on offering them official security guarantees as a result of the dissolution of the OVD [Warsaw Treaty Organization], right up to acceptance into NATO. The meeting in Rome demonstrated that the alliance does not intend to resort to this, in any case in the foreseeable future.

Not everything is unambiguous. Some provisions of the military section of the new strategy cause a certain guardedness. Although they are no longer talking about the former “threat from the East,” its changed conception of “risks” is quite vague in nature. Meanwhile, they propose not only political but also military measures “to prevent crises.” NATO troops are being reduced but in so doing they have bet on increasing their mobility.

PRAVDA has already reported that a statement on the development of the situation in the Soviet Union has been adopted in Rome. We want to add several words to that. The concern about the increase of instability in the USSR that has been expressed in it is quite understandable, especially the prospect of the center losing centralized control of nuclear weapons under conditions of the disintegration of the unified state. Opinions concerning our country's domestic political and economic development are also understandable in and of themselves. NATO can certainly have its own point of view. However, all of these opinions sound like “recommendations.”

Well, what can we say here? This statement caused an objection even within the alliance itself. As we all know, France refused to sign it. And the West European press frankly writes that essentially this document goes beyond the bounds of NATO's competence and verges on interference in someone else's affairs.

And the last thing. The Rome meeting summed up the definite results of the long-held confrontation of the “Atlanticist” and “Europeanist” trends in NATO. Western Europe, specifically the political alliance created here, officially recognized “its role” in defense matters. This was undoubtedly a compromise in favor of those Western European countries, first of all France, who advocate weakening the U.S.'s dominating influence on its partners.

‘Monopoly on Global Security’

92UF0207C Moscow KOMSOMOLSKAYA PRAVDA
in Russian 12 Nov 91 p 5

[Article by KOMSOMOLSKAYA PRAVDA Correspondent O. Shevtsov, Rome: “Will NATO Survive Without the Communist Threat? The North Atlantic Alliance Has Adopted a New Strategic Concept”]

[Text] The latest session of the NATO Council in Rome on November 7 and 8 coincided with the 74th Anniversary of the Great October Revolution in Russia which U.S. President Bush did not fail to mention in his speech. The context in which the Western leaders recalled far away 1917 were traditional: the defeat of the ideology of communism and the system of real socialism dictates new rules of the game in the international arena. At the same time, not only the defeated have to change. The victors—the NATO countries—also have to decide how to live in the future without the communist threat that has united them.

So, two primary documents were adopted in Rome that must determine the bloc's future activities under conditions of an actual monopoly on global security. The documents are titled “The Alliance's New Strategic Concept” and “The Rome Declaration on Peace and Cooperation.”

Obviously, NATO does not intend to stack arms with the rejection of the doctrine of flexible response. The threat of massive aggression by the Soviet Union does not exist but now the instability that is originating from Eastern Europe and the possibility of the emergence of new regional conflicts in various areas of the world are becoming the primary potential enemy. Hence, the bloc's motto—“Dialogue, Cooperation, and Strategic Defense.” The exchange of information, coordinated political activities on conflict prevention, and cooperation with former enemies in the matter of insuring security—these are the means which, in the opinion of the strategists from Brussels, will help to preserve the peace in conditions of changes that are difficult to predict in the former world of socialism. NATO's nuclear weapons, after their significant reduction in the Old World, are shifting to the category of an extreme weapon in the bloc's defense system. As previously, the United States, France, and Great Britain hold the strategic umbrella in their hands.

NATO's new military trump card: the only actually functioning international security system—the multinational rapid deployment forces.

The new architecture of European security now includes a new organ—the North Atlantic Council on Cooperation. It is called upon to coordinate the participation of the Eastern European countries in the military-political and humanitarian spheres of NATO's activities. The 25 European countries will meet in Brussels for the first time in December. However, the expansion of the bloc due to new members from Eastern Europe is recognized as premature as is the expansion of North Atlantic security guarantees to Poland, Hungary, Czechoslovakia, and the Baltic republics. The Eastern European neighbors have been made to understand that NATO is extending a hand of assistance to them to first of all insure its own security and only later to solve their problems, and then only to the extent that it meets NATO's interests.

The heads of the 16 states who gathered in Rome expressed serious concern with regard to the possible division of the USSR's nuclear potential. In its statement on the Soviet Union, NATO unequivocally warned about the threat of this step and also about its own intentions to undertake the most serious measures to prevent it.

Transatlantic solidarity was once again confirmed at the Rome session, indeed, even with the decreased role of the partners across the ocean. An American presence is needed in Europe primarily to prevent the expansion of contradictions between the bloc's European members themselves. Afraid to lose its former alliance, the United States is not concealing its concern with regard to Western Europe's separate steps in the military sphere. Discussion in connection with the well-known German-French plan to create a joint corps which must become the foundation of the European Community's own armed forces in the future were delayed until the next session. For now the United States and the European pro-Atlantic elements have agreed on total compatibility and mutual complementarity with NATO of any new military formations that emerge within the framework of the ZES-ES [Western European Union—European Community]. The Europeans understand that they are incapable of assuming the burden of military expenditures to create parallel troops. Obviously, it is a question of only clarifying rights to the leadership.

French Attitude Noted

92UF0207D Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Nov 91 p 5

[Article by KOMSOMOLSKAYA PRAVDA Correspondent N. Dolgoplov, Rome: "Will NATO Survive Without the Communist Threat? The North Atlantic Alliance Has Adopted a New Strategic Concept"]

[Text] Everything in Rome was so good and so touching. U.S. and French Presidents Bush and Mitterrand passed

each other so cheerfully in the negotiating hall that the scene reminded me of Bobchinskiy and Dobchinskiy taking leave of each other. But at the last minute when his turn came to sign the final declaration, Francois Mitterrand refrained from signing. He assumed a special position.

It seems that the paragraph that he did not like was precisely about you and me. It states that the "political changes" in the Soviet Union must be accompanied by a "transition to a market economy" and that in this case the NATO countries "are ready to render assistance." Naturally, like before any other meeting, the texts of the documents have been very painstakingly weighed and coordinated. But on the eve, Mitterrand unexpectedly noted: "Yes—to the Alliance, No—to the Holy Alliance." And then he explained: "The alliance must not be involved with theology or chatter and its role is not to extol the market economy." In short, the French signature did not appear on the document.

According to certain political commentators, by this gesture, the president wanted to show that today's good relations between Paris and Washington also have their limits. Having precisely designated his position, which can be expressed like this: "I oppose any diktat,"—Mitterrand displayed his independence and resoluteness.

Are we grateful to the French president? I do not know. This is a very complex issue. But it turns out that being principled is not a sin.

Swede Cited on Danger of Naziism in USSR

92UF0220A Moscow IZVESTIYA in Russian 15 Nov 91 Union edition p 6

[Article by M. Zubko, Stockholm: "An Attempt at a Prediction: A Swedish Political Scientist Thinks—Naziism May Emerge on the Territory of the Former USSR"]

[Text] The primary task of Swedish foreign policy must now consist of preventing the establishment of a Nazi state on the territory of one or several former republics of the former Soviet Union—This is the conclusion reached by prominent Swedish Political Scientist and Sovietologist Anders Oslund.

He expressed this version for Swedish authorities from the pages of DAGENS NUHETER, the largest morning newspaper. No, he does not link a possible abrupt shift to the right with the current leadership of Russia, Ukraine, Belorussia, or with any of the other states that have emerged from the ruins of the Soviet Empire. But he is talking about the threat of Naziism in one of them, specifically in Russia, based on analysis of the dramatic events that are occurring in our country. He is a man who looks ahead with knowledge and skill and it is no coincidence that the CIA has repeatedly invited him to participate in discussions on the future development of events in the USSR.

The Swedish political scientist thinks that the situation in the Soviet Union at the present time in many ways reminds him of the situation in the Bourgeois-Democratic Weimar Republic that existed in Germany after the revolution of 1918 and which ultimately opened the way to the establishment of a Fascist dictatorship. He sees this similarity primarily in the extreme forms of political and economic instability.

Last year, according to Anders Oslund's data, national income declined an average of nine percent in the countries of Eastern Europe, including the Soviet Union, and this year he expects the decline to reach the 18 percent mark. "The world has hardly previously known such an economic catastrophe," notes the author.

Having reminded us that inflation in our country has already soared to 200 percent, Anders Oslund expresses concern that free prices will give rise to real superinflation in the near future. He also writes about the destruction of the power structures in the center and about the fact that M. Gorbachev (the "undemocratically elected president") increasingly stands in solitude.

At the same time, the political scientist notes that an keen struggle for power has been unleashed in the republics and territorial disputes between them have become more intense; in Russia, the issue of independence is becoming increasingly urgent for the 16 autonomous formations.

Yes, B. Yeltsin's power in Russia is undisputed, writes the author, but the power structure created by Yeltsin may be destroyed. "If a decisive replacement of the social structure does not rapidly occur, all of Russia may be plunged into many years-long chaos," asserts Anders Oslund.

These are the preconditions of a possible shift to the right. In contrast to the Weimar Republic, the situation in our country is worsened by the fact that a rule-of-law society has not yet been created in our country. And at the same time, racist sentiments are quite widespread and Nazi formations have sprung up. The political scientist thinks that it has not been excluded that all of this combined will promote what occurred "in the Weimar Republic during its time" and the appearance of its own Adolf Hitler may occur.

However, there is one circumstance that drastically differentiates our country from the Weimar Republic. That is the presence of enormous stockpiles of nuclear weapons which are deployed on the territory of Russia, Ukraine, and Kazakhstan. "M. Gorbachev's and Moscow's loss of control over nuclear weapons," thinks Anders Oslund, "is possibly only a matter of time."

It is in this that he sees a special threat of the possible creation of a Nazi regime somewhere in our country: its leaders will be able to get their hands on the most horrible weapons of mass destruction, such weapons, as we all know, as even Fascist Germany never had.

That is why Anders Oslund thinks: the primary task of the foreign policy of not only Sweden but of the entire Western world must consist of preventing a dangerous development of events in the Soviet Union. Just what do they need to do? The Sovietologist suggests that Swedish authorities and the authorities of other countries must develop the closest possible ties with the new states that have emerged on the territory of the USSR, first of all with Russia, Ukraine, and Belorussia, and render them comprehensive support which could cost billions of krona.

There are a large number of highly-skilled experts in Sweden who speak the languages of those peoples who could become government consultants in the matter of conducting economic and hard currency reform, suggests Anders Oslund. And he comes to the following extremely important conclusion: "All of our futures are at stake."

We can think that the time has already passed when the West has written with poorly concealed joy about the collapse of communist doctrine. Now here they are tracking events in our country with increasing alarm, and with the intention to undertake something to stabilize the situation so that they themselves can survive.

Prominent Austrian Cited on Dangers of Nationalism

92UF0223A Moscow TRUD in Russian 15 Nov 91 p 3

[Interview with Rudolf Pöder, president of the Austrian-Soviet Society, by Ye. Shulyukin; place and date not given: "Rudolf Pöder: 'Nationalism Is Dangerous for Everyone'"]

[Text] A delegation of the Austrian-Soviet Society is visiting Moscow. It called at the TRUD editorial offices and familiarized itself with how the most popular Soviet paper operates. Rudolf Pöder, president of the society, granted our correspondent an interview.

[Shulyukin] TRUD readers would be interested in knowing first and foremost whom your society unites and what aims it pursues.

[Pöder] The Austrian-Soviet Society was formed 40 years ago, that is, at a time when our peoples had had a chance to learn lessons from the severe ordeals of history. A consciousness of the importance of strengthening friendly ties with the Soviet people united beneath the roof of our organization people of the most diverse political views. Socialists, communists, liberals, and Christian democrats may be encountered among its members. Individual citizens and collective members join the society.

We use all possible means for better mutual acquaintance—cultural and sports activities and trips by delegations. Not for entertainment but for an exchange of experience in various spheres, deriving definite benefits. Now, for example, particular significance is attached to business and scientific relations. We definitely aspire to

render your country practical assistance here in surmounting the economic difficulties which have arisen in the transitional period. Visits by our specialists in the field of the latest technology and the organization of production and in other spheres also are scheduled. Tetter, member of the society's presidium and professor at the Vienna Economics University, will visit the USSR in February. He will deliver lectures on modern enterprise management methods.

Very promising work has already begun in conjunction with the Austrian Service and Tourism Training Institute. It is planned in the very near future to accept in Austria 20 groups (of 20 persons each) of employees of tourist offices, restaurants, and hotels for a detailed familiarization with how the service of clients is organized in our country. Each course will last five days. The first such group of Soviet specialists has already left for Austria. We hope that such courses will be organized for Soviet employees in other spheres of the economy also.

It is planned to stage a very interesting cultural activity in Moscow on 7 March next year. We are talking about a Viennese ball. It will take place in the Hall of Columns of the House of Unions. Its motto is: Furthering the Rapprochement of the Two Capitals—Vienna and Moscow. I believe that the Vienna Ball will afford Muscovites much pleasure. Our musicians will be coming. Viennese chefs will acquaint Muscovites with their art. The ball will be sponsored by the mayor of Vienna and the mayor of Moscow.

[Shulyukin] How much interest do Austrian citizens display in the culture of our country?

[Pöder] Great interest. This can be judged if only from such a fact as the attraction to the study of Russian. We are proud that a Russian language school, which is well equipped with all the latest facilities, has been created in Vienna. More than 500 persons attend it. Russian courses are operating successfully in a number of other cities.

[Shulyukin] Herr Pöder, I would like to take advantage of this opportunity to thank your society on behalf of our readers for its participation in humanitarian acts of assistance to Soviet people in trouble....

[Pöder] Yes, Austrian citizens took closely to heart such tragedies on your land as the Chernobyl accident and the earthquake in Armenia. Assistance to all those who are in need of it has been displayed also. Various public organizations and also individual Austrian citizens have participated in these campaigns. Important assistance in this noble cause was rendered by parliament and Vienna's city hall. I could cite the following facts: the support personnel of the Viennese Opera collected 300,000 schillings, and the Vienna Chamber of Physicians, approximately 2 million schillings, for humanitarian assistance. Austrian citizens understand the difficulties which have arisen in your country and are prepared to contribute as best they can to the surmounting of the economic crisis.

[Shulyukin] You, Herr Pöder, have known our country for several years. What do you think about the present events in the USSR, which even in our press are evaluated in highly contradictory fashion at times?

[Pöder] I would like to mention as a big positive factor the withering away of the conservative command-administrative method of leadership of the country. I am pleased with this. But at the same time I am distressed, I cannot conceal it, that great difficulties which have proven particularly agonizing for the ordinary people, the working people, have arisen in the transitional period. Of course, the new always suffers birth pangs. And it is very important here that various extremist elements not take advantage of this. Two aspects disturb me in this connection. First of all, as the example of Yugoslavia shows, the growth of nationalism. The aspiration of small peoples to a broadening of independence is understandable, but when this assumes the form of civil war, the entire danger of how national feelings are used for their own ends by extremist forces has to be seen. And, second, fascistizing elements find a nutrient in such a tense social and political situation. This must never be forgotten.

We say a decisive "no" to nationalism and fascism. These ideas are intolerable within the walls of our society, they are profoundly alien to us. Only a strengthening of democracy in all countries can contribute to a strengthening of close cooperation and friendship between people, friendship which knows no bounds.

EC Advocated as Model

92UF0255A Moscow NEDELYA in Russian
No 44, 28 Oct 91 p 2

[Article by Vladlen Sirotkin, staff political commentator: "Will Europe Help Us?"]

[Text] Functionaries in the European Community are alarmed—the flames of civil war are starting to lick at the corners of the future European home.

Two mutually repellant processes, as it were, are occurring in Europe. Its Western part is increasingly uniting not just economically but politically into a United States of Europe (up to and including the abolition of nationality in a common European passport and its replacement with the term "European"). The Eastern part, to the contrary, has furiously rushed toward national sovereignty, the proclamation of independence, and the erection of customs barriers and borders—in short, toward a thoughtless repetition of the experience of Western Europe between the two world wars.

Western Europe has already learned this lesson—from nationalism (my people are better than the neighboring people) no citizens' well-being arises; the only things to emerge are fascism and war.

In conversing recently with foreign colleagues at an international colloquium on nationality problems at the

European Academy in Otzenhausen (Saarland, FRG) and speaking in Luxembourg with [Thomas Gruner], an expert with the European Parliament, I could clearly see in their eyes anxiety both for us and for the fate of Europe. After all, 25,000 nuclear warheads in Russia, Ukraine, Belorussia and Kazakhstan is no joke! And just suppose these independent states do not share their borders and start firing missiles at one another? After all, that is not the same thing as shooting with a Maksim machine-gun or firing from the bow weapon of the cruiser Aurora. Here we are talking about a European and world catastrophe, something worse than World War I, or even World War II.

Unlike the 1920s, when in Geneva and at the Hague Bolshevik diplomats tried in vain to secure credits and technology from Europe in exchange for a policy of "civil peace" with the West (the NEP), today both European politicians and the European public understand the irreversibility of the fundamental changes in both Eastern Europe and the USSR and are prepared to help return our peoples to the bosom of European and world civilization.

"And the problem is not a lack of desire, hard currency, technology or foodstuffs; the EEC is prepared to provide all that on the most favorable terms," I was told in the USSR Embassy in Luxembourg. "The problem today is something else—with whom does one deal in the USSR? To whom does one provide assistance? Through what structures and mechanisms?"

And one must say—even last year European television was flooded by a wave of reports on the squandering of humanitarian foreign aid and its outright theft in the USSR, and more than that, the appearance of these unselfish gifts in the "flea markets" of Eastern Europe, especially Poland, Yugoslavia and Czechoslovakia.

I might not believe all this shameful stuff if last May in Prague I myself had not seen items sent to aid the earthquake victims in Armenia (jackets, infant food, tents) at a flea market in the Czechoslovak capital.

And how the Czech customs officials would "shake" airline passengers on direct Yerevan-Prague flights! They did everything but stand them on end, shaking humanitarian gifts out of their pockets and out from under their skirts. It was simply incredible.

And so charitable organizations in the Netherlands, Luxembourg, the FRG, Belgium and other EEC countries are scratching their heads today: huge truck convoys carrying foodstuffs, medicines and infant food are ready, but how can they be conveyed to actual old people, children and disabled people in the USSR?

The traditional central structures with which Western Europe did business for many years—the Union of Soviet Societies for Friendship and Cultural Ties With Western Countries, Intourist, the Red Cross and others—are plainly in crisis and about to collapse.

Republic structures? But here is a fresh example for you—arriving at the EEC, Russia's Minister of the Economy Yevgeniy Sbuov initialed (signed on a preliminary basis) an agreement on economic aid to Russia's citizens, and he returned to Moscow only to be told off! His colleagues led by the state secretary disavowed the minister, saying that he had lacked the powers to do what he did, just as he had supposedly lacked them to sign the Alma-Ata agreements on a common union economic space.

On this subject, in October the influential French newspaper LE MONDE carried a venomous article the gist of which can be translated approximately as follows: "Well, you fellows have really got a mess there in the Russian government."

In any event, it is obvious that there is a lack of elementary order in interstate relations.

[Thomas Grunter] complained bitterly: "Some people come here; others speak with us in Moscow. In one republic people say: 'Don't have dealings with those Russians—they will mess things up'; in another they say: 'Don't think of going to see the Ukrainians—they'll deceive you.'"

And as to the torments that befall the Soviet Embassy in the Grand Duchy of Luxembourg, where there are only five diplomats for this corner of a key triangle (Luxembourg—Brussels—Strasbourg), words cannot convey them. After all, how did things use to be? The USSR Ministry of Foreign Affairs would issue a recommendation; the Secretariat or even Politburo of the CPSU Central Committee would approve it; instructions would be drawn up; and a delegation would travel. Now there is freedom. Now every minister and even rayon deputy is "someone to be dealt with." He arrives, promises seven barrels of arstees, and leaves, and the embassy is left to deal with the mess. And it tries to deal with it, and it dares not say a word, for what it will immediately get in reply is: "We're sovereign."

After the putsch the permanent representative (ambassador) to the EEC, Lev Voronin, the former deputy chairman of the USSR Council of Ministers, was immediately recalled. It was right that he was recalled—he was not a specialist on international affairs (IZVESTIYA had recently written how he "skillfully" cut off humanitarian aid from the German Red Cross), and he turned out to be mixed up in "dacha privatization." But no other specialist was sent! Yet the EEC is probably our most promising partner—it is not demanding any "northern territories" from us in exchange for aid.

Yet time moves on. And what is needed now at the EEC in Brussels is not a former, "superannuated" party-state bureaucrat, and not a current deputy who is a taxi driver, but a specialist who is competent in European affairs—a scholar with a name in European scholarly circles. Personally I cannot think of a better representative than Prof Ye. A. Ambartsumov, deputy chairman of the

RSFSR Supreme Soviet's Committee on Foreign Economic Relations. Seeing that there is already a precedent—the extraordinary and plenipotentiary writer Chingiz Aytmatov in the office of USSR ambassador to Luxembourg.

I recall that there were a lot of venomous hints and nasty comments in our leftist and rightist press concerning this strange appointment, as it seemed even last year. Although in world diplomacy such cases are by no means rare.

Here, incidentally, is an example of the blinkered nature of our "fettered Soviet" thinking: it was possible to appoint an obkom secretary from Tmutarakan whose "native" language was obscenity and who could handle Russian with a dictionary as an ambassador not just to Asia or Africa, but even to Europe. Yet a world-renown writer could not be appointed?

Meanwhile, Chingiz Aytmatov is ambassador not just to Luxembourg but, for all intents and purposes, to the EEC, for Luxembourg has long since been not only the Grand Duchy but also an important European crossroads. And both EC foreign ministers and major European cultural figures meet with him as an ambassador-writer. One of our ordinary obkom partocrats would hardly be granted such an honor.

Of course, there are, among others, purely diplomatic, professional problems. But they are compensated for a hundred times over by the writer's world name. And that is what the new USSR acutely needs today—the West's moral credit of trust in individual democrats.

It appears, however, that the USSR Ministry of Foreign Affairs has not yet recognized the importance of revising the caste-type appointment and role of the Soviet ambassador as a simple "mail box" for the center.

And isn't that why we torment ourselves, not forming for ourselves, say, a structure modeled after the federal system of the flourishing FRG states—an immense autonomous entity consisting of Germany's historic provinces (their own radio, television, press, budget and education), but a single economic space with a single currency and single foreign policy, coordinated with the other EEC members.

It would not be bad, either, to learn from the EEC a compromise solution to nationality problems. Of course, not everything is smooth there, either—the Basques in Spain, Ulster in Great Britain, and regional nationalism (Corsica, Catalonia). And the EEC's "sick conscience" is Greece. The Eurobureaucrats only shrug and sigh in distress: no matter how much you give, it's as though it all goes into a bottomless barrel; it disappears into the pockets of state bureaucrats and various sorts of importunate European petitioners almost the way it does in our country.

Nonetheless, the historical problem of Europe's "Nagornyy Karabakh"—Alsace-Lorraine—the bone of

contention between France and Germany in 1870-1945 was solved, first by the Germans and French, and then by the EEC. And how acute it was—it inspired chauvinists in both countries to get involved in two world wars.

And Belgium? The conglomerate of Flemish (a branch of the Dutch) and Walloons (a branch of the French) created in 1830 was a source of tension in Western Europe right up until the 1970s. And what were the two peoples fighting for? For the capital, Brussels. And what sort of compromise did they find? They created a third "nation"—Brusselites (both Walloons and Flemish). Funny? "Muscovites" as a special "nation" in Russia? Certainly from the standpoint of classical ethnography a "nation of Brusselites" is nonsense. But such a paradox made it possible to avoid a Belgian Nagornyy Karabakh.

And aren't Anatoliy Sobchak and Gavriil Popov taking the same path in the two "capitals" in attempting to secure special status in the RSFSR for Petersburg and Moscow?

So, will Europe help us? I am convinced that it will, but on one condition—the Union and the republics must create a common mechanism for obtaining humanitarian aid, credits for specific programs, and technology for specific branches of the economy.

And all this under the joint oversight of the EEC, the Union and the republics. Moreover, the oversight groups should include our public figures, deputies, scholars, creative workers and clergy who are well known in the West.

It is very important not to lose time—events in Yugoslavia indicate that when independent republics start shooting at each other the EEC becomes powerless.

In short, Europe will help us if we help both ourselves and it.

Concerns Over Mass Immigration From East Viewed

Legal Limits Sought

92UF0199A Moscow PRAVDA in Russian 6 Nov 91 p 5

[Article by PRAVDA correspondent A. Stepanov: "Unbidden Guests To Be Turned Back at the Gate: Ministers of European Countries Are Not Opposed to Immigrants if They Come on a Legal Basis"]

[Text] Berlin—*Europe is terrified. Fear in the face of Soviet tanks has given way to a constant fear of an invasion of "fortune seekers" from, naturally, the East European countries, our "single economic space" included. There are already approximately 2 million persons working illegally in the West European states altogether, experts believe.*

You can imagine what emotions were stirred here by the supposition of Barannikov, minister of internal affairs of the USSR, that 4-5 million persons would be prepared to

leave for foreign parts in 1992 from our country alone. And the following year, 1993, when our entry and exit law, over which the previous USSR Supreme Soviet jostled in debate for many months, starts to function, is awaited as Doomsday here. Compared with this, all the problems caused by the procession of Albanian refugees to neighboring Italy could seem a mere trifle.

To be honest, how to combine and direct into a rational channel these two such dissimilar aspirations—having the right of unrestricted departure to wherever one wishes and having the right to open one's borders merely to those whom one wishes to see in one's country—I personally do not know. I would like to believe that the ministers of justice or internal affairs of the 27 European countries have clearer ideas on this score. But they discussed them at their conference in Berlin, in which delegations from the USSR, the Ukraine, Belarus, and the Baltic states participated also, behind closed doors, and the high-level government officials had no desire at the meetings with the press to go into details of how it is contemplated harmonizing the interests of the rights of each individual and purely police requirements, or of the kind of instruments it is contemplated creating for these purposes.

When it is a question of "standardizing visa policy within the framework of the Common Market countries, everything is quite comprehensible here: The Germans, who, frankly, are fed up with being the promised land for all those heading for Europe (every second immigrant sees Germany as the ultimate destination of his journey), are not at all averse to distributing this honorary burden somewhat more evenly. When it is a question of the increased penalties to which airlines ferrying immigrants without properly registered papers will be subjected, no explanations are needed here. But how to reconcile the interests of the country of departure and the country of entry and, further, not offend the states which are crossed in transit here? The problems here are infinite, it would seem. Supposing everything come up against the notorious "locked border," only now from the other side—from outside?

Those same Germans can perfectly easily be understood, for that matter. And what in fact do you order to be done when approximately 2,000 persons who had decided to seek a better lot in the FRG were detained at the German-Polish border this October alone? Not to mention the outright orgy of crime when entire criminal syndicates are delivering immigrants to the country of their choice, not out of the goodness of their hearts, naturally. The number of those living in Germany without official permission, incidentally, has reached half a million, and a further 200,000 will be added to them this year, by all accounts. There is good reason for clutching one's head....

The Germans should be given their due, for that matter. They are relying not only on police measures but on financial measures also. A recent example—the program for the return home of Romanian refugees. Interior

Minister Wolfgang Schauble requested of the Bundestag DM37 million for this. DM31 will go to build vocational training centers, the rest, to support immigrants from this country. It is a six-year program. There are similar plans, on a lesser scale, it is true, in respect of the Polish neighbors also.

But, one way or another, refugees from the impoverished east of the continent are threatening to become the permanent cross of prosperous European states. Bearing it with dignity will not be easy. But is this not the "civilizing mission of democratic states," which has been recalled so often by politicians on both sides of the Atlantic?

Report on Berlin Conference

92UF0199B Moscow IZVESTIYA in Russian 2 Nov 91
Union Edition p 7

[Article by IZVESTIYA correspondent V. Lapskiy: "Better Not Resort to the Services of the 'Border-Crossing Guides': European Parliaments Prepare To Adopt Tough Measures"]

[Text] Berlin—An international conference on illegal immigration to the West from the countries of East and Central Europe was held over two days in the Reichstag building. Members of the governments of 28 European states, including Barannikov, minister of internal affairs of the USSR, and representatives of Russia, the Ukraine, Belorussia, and the three Baltic countries, participated.

Since the fall of the "iron curtain," the conferees observed, the flow of immigrants to the West has increased sharply. Most people have headed for the wealthy Federal Republic. According to the German Interior Ministry, from 50 to 80 percent make their way to the FRG illegally with the help of gangs, the participants in which are called "live goods merchants" here. They help fix up their clients with unskilled jobs with employers who exploit the foreigners mercilessly and pay no taxes for them to the state, what is more. German border guards detained 2,000 intruders at the so-called Oder-Neisse "green border" last October alone.

The prospects, in the opinion of the Berlin conferees, are quite gloomy. The number of persons from Poland, Romania, Yugoslavia, and other former socialist countries working illegally in West Europe is put at roughly 2 million, quarter of a million of whom are in Germany. The federal government believes that a further 200,000 persons will penetrate the country illegally before the end of the year, that is, in the next two months.

West Europeans are linking great apprehensions with the implementation on 1 January 1993 of the Soviet law on citizens' overseas travel. According to Minister Barannikov, as of next year from 4 million to 5 million citizens will leave the country for a more or less protracted period.

I would recall that the borders of countries of the European Community will in practice be open as of 1993. How to protect against an unchecked influx of

immigrants from the East? Some countries are starting to adopt measures even now. France and Italy, for example, are ruthlessly evicting foreigners who do not have residence permits. In the FRG there has until most recently been heated debate of the immigrant question—the Christian Democrats and the Christian Social Union demanded a tightening of entry rules. A compromise has, apparently, been reached: Foreigners wishing to obtain political asylum in Germany will be accommodated in special camps (the opposition has already christened them concentration camps), and the question of each person individually must be decided within no more than six weeks. It is not a question of erecting new walls, Interior Minister W. Schaeuble declared, but of open, entirely legitimate, entry across pervious borders.

European states managed at the Berlin conference for the first time to formulate a number of joint measures against illegal immigration and in respect of the curtailment of the activity of the gangs engaged in the illegal ferrying of people across the border. The corresponding agreements were signed. Tighter and coordinated control at the borders and also at seaports and airports, a concerted visa policy, and the use in emergencies of special "mobile" forces are contemplated. A working group, which has been entrusted with formulating specific proposals in respect of joint police action, was formed.

Yeltsin Calls For Speedy Settlement of Honecker Issue

*LD1811103191 Berlin ADN in German 0959 GMT
18 Nov 91*

[Text] Moscow (ADN)—In an interview with ADN today, Russian President Boris Yeltsin has again spoken in favor of a "quickest possible solution" to the question of the former GDR state leader Erich Honecker's stay in Russia. Without going into his government's resolution of last Friday on the extradition of Honecker from Russia, Yeltsin said: "I am absolutely convinced that this question must be solved as quickly as possible in line with the norms of international law." He believes that the German authorities' demand for Honecker's extradition is justified. At the same time the Russian president made it clear that the extradition of Honecker was the responsibility of the Soviet leadership. He said: "I intend to offer the Union leadership active support in the fulfillment of this demand."

Lawyer Argues Against Honecker Extradition

*PM2111162091 Moscow PRAVDA in Russian
20 Nov 91 p 4*

[Article by lawyer V. Krasnyukov: "I Have Something To Say!—Soviet Lawyer's Opinion"]

[Text] There have recently been reports from various mass media sources on the Russian Government's determination to hand over to the FRG authorities Erich

Honecker, former general secretary of the SED [Socialist Unity Party of Germany] Central Committee, who is in the Soviet Union.

This episode took a dramatic turn with Honecker's statement that he will never give himself up alive, and if he is forcibly extradited he will commit suicide. Thus events concerning the fate of the former GDR leader took a very dangerous spiral, and could become tragic.

If this tragedy happens, then by the present statement, I officially inform the public that I will put before the competent bodies the question of bringing criminal proceedings against all officials involved in the unlawful extradition of Honecker, whatever leading post they may hold, for driving him to suicide, exceeding their authority, or abusing their official position.

Russia's leaders have apparently forgotten that Moscow is the capital of not only the RSFSR [Russian Soviet Federated Socialist Republic], but also the Soviet Union, which still exists, and that it therefore has a special status. Russia cannot exert 100-percent jurisdiction over this city, since Moscow is the capital of the entire Union, so that the rights and interests of the other union republics must be taken into account here. Second, Honecker did not come to Russia, he came to the Soviet Union, and intends to seek political asylum in that country. Therefore the Russian Government has no legal basis for adopting a decision on his extradition. No Russian official, or state organ, is competent to decide this question, and any such attempt means exceeding their powers and incurs criminal liability. The question of Honecker's extradition can only be decided by the Union leadership, first and foremost by the USSR president. And without their knowledge the Russian authorities have no right to take any steps in that direction.

But this is not the first case of Russian representatives, in defiance of the elementary principles of legality, trying to usurp rights that do not belong to them, interfering in the functions of Union structures, or even placing them under their own jurisdiction. The ban on the CPSU and the Russian Communist Party and the theft of their property involve the executive authority's appropriation of the functions of the court, which is a flagrant act of lawlessness verging on a crime.

In the event of a tragic outcome resulting from the extradition of Honecker, I will also raise the question of criminal prosecution of the FRG officials who sought his extradition, since they are helping to bring about dire consequences the cost of which is a human life.

The formation of a united German state should be regarded as the unification of two sovereign states. Hence the prosecution by the German authorities of the former leaders of the GDR is not only immoral, but unlawful. Many experts in international law regard this as an elementary violation of international legal norms. In the eyes of the public, the FRG's international prestige is undermined, and the existence of a rule-of-law state in that country is called into question. Among the

Soviet public, there are people who regard the German authorities' actions as a simple reprisal against the GDR leaders who pursued a policy that the FRG did not like.

The Russian leadership's shortsighted policy on the question of Honecker's extradition and the far from farsighted position of the FRG authorities in demanding his extradition are leading to an increase in anti-German feeling, despite the enormous efforts made in recent years by the leaders of our two states to establish friendly relations between our countries and peoples. While giving due credit to Germany's leaders on questions of granting aid to the Soviet Union in a crisis, many Soviet people will forgive no one, least of all the Russian leadership, if their actions put Honecker's life in jeopardy.

It cannot be ruled out that the consequences of these events could adversely affect the process of creating an autonomous German state formation in our country's territory.

I appeal to the FRG president, chancellor, and parliament to declare an amnesty for all former leaders and officials of the GDR, in view of the fact that many of them are sick and of an advanced age. This humane act would meet with approval and support not only from Soviet people, but from the entire world public, and would boost the prestige of Germany and its leaders.

I ask the USSR president urgently to examine the question of granting political asylum to Erich Honecker and thereby to confirm that union power still exists and is at least in some ways higher than republic power. I would ask the Russian leadership to show restraint and humanity and not to undermine their own prestige through ill-considered acts.

The tragic death of Honecker would be an ignominious stain on Russia, the Soviet Union, and Germany.

Possible Solitary Confinement for Honecker

92P50044A Moscow ROSSIYSKAYA GAZETA
in Russian 20 Nov 91 p 4

[Item under the headline: "The Russian Agency Reports": "Honecker: Past and Thoughts"]

[Text] Former Minister of Defense Dmitry Yazov organized the transport of Erich Honecker from Germany to the USSR strictly on his own cognizance and at his own risk. Mikhail Gorbachev knew nothing of the operation. These assertions are contained in an interview with a former official of the CPSU Central Committee, Nikolay Portugalov, a specialist on German affairs, which the newspaper BERLINER KURIER published.

A solitary cell has been prepared for Erich Honecker in Berlin's Moabit prison. He will find himself here if Mikhail Gorbachev is not successful in defending the former leader of the GDR.

The cell is located on the sixth floor of the prison, in a bay specially equipped for the confinement of exceptionally dangerous terrorists.

German Cultural Center Opens in Moscow

92UF0212A Moscow IZVESTIYA in Russian 14 Nov 91
Union Edition p 5

[Report by IZVESTIYA scientific observer B. Konov-
alov: "Assault Landing of German Culture"]

[Text] Bochum-Moscow—The German Cultural Center opens in Moscow on 14 November. This is a non-profitmaking organization, which is to become a kind of nucleus for the strengthening relations between the Soviet Union and the Federal Republic of Germany. It will also be a center of attraction for Soviet Germans too. This center is the fruit of the cooperation of two universities—Bochum and MGU [Moscow State University]—and also the USSR Academy of Sciences World Literature Institute.

Bochum University is as yet little known in our country, but it will soon, evidently, be very popular. As distinct from MGU, Bochum University is young—it is just 26 years old. It is often jokingly called the FRG's senior university because it was created by the government of this republic, which proceeded from public requirements. Approximately 6 million persons live in the Ruhr industrial region, but they lacked their own university. And so it was decided to build a modern university for 16,000 students. Some 37,000 persons are being taught by its faculties currently. It is already entirely comparable in scale with MGU—the senior university of Russia.

Among the institutions of Bochum University there is the Russian and Soviet Culture Institute. Klaus Waschek, registrar of this institute, studied at MGU, has an excellent command of Russian and knows our problems. And the idea of the creation of a center of German culture was born when Bochum was visited by Valeriy Borisovich Kudryavtsev, the well-known Soviet mathematician and professor at MGU. The seed fell on fertile ground, apparently, but the sponsors had to overcome many difficulties, particularly when it came to registration. It is easy in our country to register a joint venture, a small business, or a limited-liability company, but very difficult, it turns out, to register a non-profitmaking center. In an era of fledgling enterprise noncommercial structures are viewed with suspicion for some reason or other.

Nonetheless, the center has been created and will not only be a meeting ground for two cultures but will serve also as a place of concentration of the two countries' most advanced information technology. It is intended to create computer data banks for mutual exchange in various fields here.

And people in Germany know, apparently, far more about Russia than we know about this European country, what is more. Klaus Waschek has already put together a computer

guide to Moscow, for example. Selecting, let's say, the key words "Lev Tolstoy," you immediately obtain on the screen concise information on the writer and can see on the map of Moscow the place where his museum house is located and what transport arteries lead there. This computer guide may even now be installed in any hotel for foreigners. A electronic Russian course for Germans has been created also.

I was a witness in Bochum to the birth of one further new initiative, which was first proposed by Professor Viktor Antonovich Sadovnich, provost of MGU, who headed our delegation at the meeting of the leaders of the two universities. He expressed the idea of the creation of a joint Soviet-German institute under the auspices of the MGU for teaching students with our and German professors in the liberal arts and natural sciences in order that, following graduation, they might obtain a diploma valid in both the USSR and the West.

This was not a fortuitous but a logical step for MGU, which has at its branch in Ulyanovsk already inaugurated a faculty for the tuition of Soviet Germans. The new initiative will expand even further the possibilities of tuition for those who want to master in depth German culture in the USSR, regardless of nationality.

This initiative of the Soviet side was warmly supported by Professor Wolfgang Massberg, dean of Bochum University.

"Europe now is not what it was 10 years ago," he said. "It has not yet become a common home for all those who live on this continent but we must strive today even for a single standard of education and do everything possible to achieve this goal. Now, despite all the difficulties being experienced by the Soviet Union, the situation is highly conducive to cooperation. We want to establish an extensive partnership in the research of all our faculties and MGU. I believe that our experience in the sphere of market relations will be particularly useful for the USSR. After all, science and education do not exist in a vacuum—they operate with us under the conditions of a real market economy, but, of course, as with you, with the strong support of the state. We must establish effective, fruitful exchange."

And the quite traditional agreement on the cooperation of the two universities includes a clause concerning the intention to create a joint Soviet-German institute for the training of a new generation, which will no longer live on different sides of an "iron curtain" but will build the common European home together.

FRG Neo-Nazis Said To Be Serious Danger

92UF0226A Moscow PRAVDA in Russian
14 Nov 91 p 5

[Article by PRAVDA correspondent A. Stepanov: "The Nazis Are Clearly in a Minority: A Wave of Demonstrations Against Violence and Racism Has Swept Germany"]

[Text] Berlin, 13 November—There is in the words "swept Germany" truly no exaggeration. People took to

the streets everywhere: from Bonn to Leipzig, from Munich to Rostock. In the capital alone there was a starlit march in which, according to different sources of information, from 80,000 to 100,000 took part.

People spoke at the mass meetings about the danger contained in the incitement of animosity toward foreigners and the fact that the debate in the Bundestag and the mass media on a change in the immigration laws is now being conducted in such a way that it is inciting right-wing extremists to violence.

Speakers recalled events of contemporary German history, when, in the years when fascism was dominant, many Germans were saved only because other states granted them asylum. On 9 November, on the 53d anniversary of Krystallnacht, when Hitler's thugs embarked in practice on the "final solution of the Jewish question," tribute was paid to the memory of the victims of the "brown" terror. But, however regrettable, the end of last week was "commemorated" by the right also. It was undoubtedly in a clear minority; approximately 600 neo-Nazis and "skinheads" staged a noisy brawl in the large Saxony city of Halle. It should be added that rightists had come to support their fellow thinkers not only from other German states but from across the border also: from Austria and Switzerland. The Nazis did not demonstrate anything particularly new: the same "heils" and "Sieg heils" and the chanting of their cherished slogan "Foreigners and Jews—Out!"

The extreme-left customary opponents of the "brownshirts"—quick-tempered young men and the greatest enthusiasts when it comes to fist-swinging—incomprehensibly found out, as always, about the Nazis' escapade. And did not pass up the chance to come and get involved in a large-scale brawl with them. It required quite extensive police efforts to localize the conflict, and border security forces, who take part in curtailing disturbances in the most difficult situations, had to intervene even. Four demonstrators and one policeman were injured. There were more than 230 arrests, and "dozens of kilos," according to police officers, of the weapons used in such cases—brass knuckles, flails, iron bars, bicycle and motorcycle chains, and so forth—were confiscated.

I would like also to caution those who on the grounds of the smallness of the actions of the right are concluding that it is not dangerous. This is the opinion of Eckart Wertebach, head of the Federal Constitutional Protection Office. The number of right-wing extremists in Germany amounts, according to him, to 40,000. Two right-wing terrorist criminal associations have been formed in the new federal lands alone. They have on their conscience fires in immigrant hostels, mass street battles, aggravated assault, and other acts of violence. There is as yet no evidence, according to Wertebach, that these actions are being coordinated and controlled from some single center. But this is as yet. In the past also it started as brawls in the Munich beer halls.

Cooperation in Space Program with French to Continue

92UF0219A Moscow IZVESTIYA in Russian 9 Nov 91
Union edition p 6

[Article by IZVESTIYA Correspondent Yu. Kovalenko, Paris: "A Space Ticket with a 72 Million Franc Price Tag"]

[Text] The French will pay this sum for participation in a joint space flight—the third—on the Soviet Mir space station which will occur in the summer of 1992. The cost of the "ticket" for the next trip into near earth space will, from all appearances, noticeably increase.

Marked attention was paid to precisely financial issues at the 27th meeting of the Franco-Soviet Space Commission which occurred in the city of Tours. Colleagues of France's first Cosmonaut, Jean-Luc Chrestiens [transliterated], probably recall with nostalgia the "good old days" when the Soviet Union twice offered them a seat on our spacecraft free of charge. At that time, the very idea of taking money from our French friends would have seemed to be improper....

Other times, other customs. If you do not consider the issue of the payments owed to us, in Tours it primarily was a question of continuing joint research. The third flight, which will last for two weeks, has received the name Antares and a date has finally been determined. It will be at the end of July-beginning of August 1991. Michael Tonini and his back-up, Jean-Pierre Eniere, will prepare along with Soviet cosmonauts for the new expedition at Zvezdnyy Garrison.

The conduct of the broad program of scientific-technical research is quite satisfactory—"and even better than we could have assumed," according to the opinions of the scientists of the two countries who gathered in Tours.

The French side once again confirmed its intention to cooperate with us and, in the future, KNES [expansion unknown] is proceeding from the fact that the fourth joint flight will occur in 1995-1996. Judging by D. Sakott's reaction, the prospect of increasing "space fares" does not frighten the French.

They are primarily concerned, not with the financial-technical aspect of the matter, but with the political and which republics will ultimately make it up. For now, the French newspaper FIGARO notes that the French participants of the meeting at Tours, headed by KNES President J.-L. Lyons, preferred to talk about not the Soviet Union but about "your country" while talking with their colleagues.

Almost all laboratories and scientific centers, with which KNES maintains contacts, are located in Russia and in the Ukraine, but as we all know Baykonur Cosmodrome is in Kazakhstan. "We sense," said D. Sakott, "the aspiration of the scientists to create an association or federation of these republics for joint scientific activity."

While expressing firm readiness to continue cooperation with us, especially in the area of telecommunications, at the same time Paris is advocating the Soviet Union's participation in European space programs.

In this regard, the newspaper LE MOND writes that a space program will be developed during an intergovernmental conference which will occur in November 1991 in Munich that provides for the Soviet Union's broad participation in the program.

Meanwhile, the two countries are successfully cooperating in the development of a long-term program to study Mars. It provides for the launch of two space probes, obviously in 1994 and 1996, to study the atmosphere and surface of this planet. A French device and also a vehicle like the famous "Lunokhod" will be on-board these probes.

UK, USSR Actions in Gordievsky Case Criticized

92UF0175A Moscow NEW TIMES in English No 38,
24-30 Sep 91 p 32

[Article by Lord Nicholas Bethell. Words in italics as published.]

[Text] The arrival at a London airport a few days ago of Leila Gordievskaya and her two young daughters, thanks to a decision by the new liberal KGB chief Vadim Bakatin, will bring to an end one of the most disagreeable problems in Britain's recent relations with the Soviet Union.

For six years Oleg Gordievsky, former head of the KGB in London and now a naturalised British subject, has been separated from his wife and young daughters—Masha, 12, and Anyuta, 10. It is extraordinary that such a gross violation of human rights has been allowed to last so long in spite of Mr. Gorbachev and his supposed new humanity. Oleg may have been guilty of treason, but Leila and the girls are innocent.

Any ordinary Russian living here in England, with a wife and two daughters held in Moscow, would have aroused great British sympathy and public protest. But this did not happen in the Gordievsky case. He defected in September 1985, but until last year he was "under wraps," sentenced to death and seen only by the secret services and a few close friends. The public campaign began only after five years of separation.

Until last year, when he began to emerge, though always in disguise, for interviews connected with his book, MPs and journalists here were not encouraged by the British authorities to raise the matter of Leila and the girls. The matter was left to the Foreign Office and its "quiet diplomacy," which produced no result and distressed Leila greatly.

Many were reluctant to get involved in something that was an espionage question as well as a human rights question. Doughty British human rights campaigners

who had rallied to the banner of the Sakharovs, Shcharansky and Orlov as well as supporting the regular trickle of British students trying to extricate the Russian fiancées they had met at Moscow University, showed little interest in helping Oleg and Leila.

"After all, he is a traitor," I was told more than once by British friends who seemed to have forgotten that the Soviet system he betrayed for 12 years was busy torturing dissidents with pain-inducing drugs in KGB psychiatric hospitals, arresting the leaders of non-official trade unions, had imprisoned the poet Irina Ratushinskaya for her "attacks on Soviet history" and was maintaining occupying armies in Afghanistan and Czechoslovakia.

A government that took so little account of its duty to protect its citizens' rights had, I believe, little moral claim on their loyalty. Oleg's quarrel was with the Soviet system, not with Russia. When Russia is fully democratic, he says, he hopes to be able to return. This will depend, though, on what happens with the death sentence passed on him in 1985, which still technically remains in force.

There was another argument: "He should never have joined the KGB in the first place." Many of the famous Soviet dissidents take this view and now even he would admit, I suppose, that it was an error on his part. But 1962, the year he joined, was a year of hope for Russia's liberals. Solzhenitsyn's *Ivan Denisovich* was published that year in Moscow and it seemed to many men wiser than the 23-year-old recruit Gordievsky that Nikita Khrushchev was leading the country along the democratic path. He joined the organisation in which his father had spent his life and in whose service his elder brother died.

Khrushchev did not, of course, democratize the Soviet Union. The KGB reasserted its inherent brutality. Gordievsky found that, once in the KGB, it is not easy to get out. By 1972 he was in contact with the British and walking the tightrope of life as a double agent. But history has shown, I think, that he made the right choice. The KGB is not an organization that deserves loyalty, even (or perhaps especially) from Russians.

I have found, though, that many in Britain remain embarrassed by the episode and have kept their distance from the whole murky world of espionage, especially the suggestion that Oleg was smuggled out of Russia in a diplomatic car, in violation of the Vienna Convention. The result has always been a certain timidity about any official British effort to recover his wife and daughters.

And yet Oleg has no blood on his hands. The Albanians sent into that country by our secret services during the Cold War and given away to the Hoxha regime by Kim Philby were captured, tortured and executed, as were their families and friends. Some were released only earlier this year, after 30 years of torment. Most of the 600 British agents whom George Blake boasts of denouncing were also shot. Gordievsky was never responsible for anything like this.

He did, it is true, denounce the 31 Soviet agents who were expelled from London in 1985 and banned from NATO posts. "They were deprived of the chance to carry out their chosen profession and their families underwent a terrible upheaval," moaned the KGB in a statement several months ago. But this is an injury of a different scale.

The KGB men who drafted that statement are today, presumably, looking for alternative work and their boss is sitting in one of his own jails. He took a special interest in the Gordievsky case. He was infuriated, it is said, not so much by Oleg's betrayal, but by the lack of professionalism of his colleagues who allowed him to slip through their fingers after they unmasked him in 1985.

Mr. Gorbachev was unhelpful too, even as late as 18 July, when British Prime Minister John Major raised the case with him, receiving no coherent reply. Kryuchkov is said to have advised Gorbachev, "If the families of traitors are allowed to join them in the West, we will lose our last sanction, our last means of controlling our men in the field." He may be regretting now that he took Kryuchkov's advice, in this as in other matters.

Still, all this is in the past. Leila and the girls spent last night with Oleg for the first time in six years. It is in political terms a small consequence of the Soviet Union's August cataclysm, but one of the happiest.

EBRD Stresses Importance of Legal, Banking Network with Soviets

92UF0275A Moscow IZVESTIYA in Russian
26 Nov 91 p 6

[Article by Yu. Kovalenko, personal correspondent (Paris): "Jacques Attali: Aid in the Privatization of the Soviet Economy"]

[Text] The biggest danger for the Soviet Union would be the domination of the economy by the "black market," which would be controlled by a mafia consisting of the former nomenklatura—something like a gangster-controlled form of capitalism. If this happens, leading Western firms will not do business with this country because it will be too risky. The Russian and Ukrainian leaders and the leaders of other republics realize this.

Apprehensions of this kind were expressed in the French press by President Jacques Attali of the European Bank for Reconstruction and Development (EBRD). This is why he attaches special importance to the creation of a network of legal and banking institutions in the Soviet Union.

The EBRD, Attali said, is cooperating with the Ukraine, Kazakhstan, and other republics. It has also offered assistance in privatization to the municipal officials of Moscow and St. Petersburg, which are major "property owners" in the Soviet Union. Moscow, for example, has 700 large and 16,000 medium-sized and small enterprises, and the city on the Neva has approximately a

third of the enterprises of the Soviet military-industrial complex. The rendering of assistance in their privatization, Attali remarked, would mean assistance in the privatization of the whole Soviet economy.

In addition, the bank is participating in projects connected with the establishment of democracy and, in particular, is helping the Baltic republics draft their constitutions.

The bank president's list of EBRD priority concerns included the problems the Soviet Union faces in agriculture and the oil industry. According to studies, in 10 years reforms focusing primarily on our shipment and storage systems could produce a profit of 20 billion dollars a year in our country's agroindustrial complex and 120 billion a year in the oil industry.

The EBRD will allocate around 100 million dollars for technical assistance in 1992, and around half of the sum is earmarked for the Soviet Union. Another 1.2 billion dollars will be set aside for investments in the East European economies, which will be followed by another 7 billion from other sources. The bank has already financed four projects in Poland, Hungary, and Czechoslovakia.

For the next 3 years the amount of credit the EBRD can extend to our country will be limited, and the main difficulty is not the shortage of capital investment

resources, Attali stressed, but, oddly enough, the absence of promising and potentially profitable projects.

Our main goal, Attali said, is the inclusion of the Soviet Union and its republics in Europe and the creation of a "continental European market" in the image and likeness of the European Community. Without their participation, this market will be meaningless. From the historical standpoint, it would be ridiculous to exclude the Soviet Union from it. This would lead to war.

To avoid this, the EBRD president said, the situation in the former USSR must be stabilized, the problems of nuclear weapons and foreign debts must be solved, and hyperinflation, mass emigration, and unemployment must be prevented.

Today the EBRD, which was established only half a year ago, its president said, has 300 staff members of 40 nationalities—economists, jurists, bankers, and diplomats. Next year the number will double. One department of the EBRD—the "Development Bank"—will assist governments in planning their economic policies and financing the creation of infrastructures. Another department—the "Business Bank"—will be engaged in financial operations with the private sector and will organize missions for technical assistance.

What are the EBRD's long-range prospects? Jacques Attali wants his bank to serve as the prototype for the institutions of a continental bank in the new united Europe.

Hungary May Prosecute Adherents of Old Regime*92UF0242A Moscow PRAVDA in Russian
16 Nov 91 p 5*

[Article by Vladimir Gerasimov, under the rubric "Opinions and Commentary": "The Boomerang Returns"]

[Text] This anecdote, that arose during the stormy days of the fratricidal autumn of 1956, was circulating in Hungary. Three men meet in jail. The question is heard: "Why are you in jail?"

One says:—I opposed Imre Nagy.

Another says:—I defended Imre Nagy with a gun in my hands.

And the third says:—And I am Imre Nagy!

I have recalled this sad fairy tale right now when I read that the Hungarian parliament had adopted a law on the possibility of prosecuting "traitors to the homeland and individuals who committed premeditated murder from December 1944 through May 1990." This means—from the days the Soviet Army liberated Hungary until the "overthrow of power"—the withdrawal of the MSZMP [Hungarian Socialist (Communist) Workers' Party] from the leadership and the coming to power in parliament of the Hungarian Democratic Forum, the coalition of Christian-Democrats, the Union of Free Democrats, and other parties. This means that the people who may fall under the article of the law include both Hungarian patriots who assisted the Soviet Army and those who actively participated in the defeat of the 1956 counter-revolution (according to our terminology of the recent past) and, according to current Hungarian terminology—revolution and liberation struggle. In a word, they imprisoned the current ones and the current ones will imprison them.

In Hungary, a witch hunt was considered to be intolerable and immoral until recently. But some official attempts since May 1990 to "corner" former and current MSZMP members (they now call it the Workers' Party) have inevitably failed. Parliament did not pass the draft "Justice," which was primarily targeted at removing the former nomenklatura from new posts. As a matter of fact, one trial has occurred—they have seized the "corrupt" villa from the former minister of defense of the "Kadar era" government. Then, a special organ of lawyers-democrats was created to "restore historic justice." Until recently, Hungarian officials considered the law on "Cadre Background Checks," which was adopted by Czechoslovakia, to be unacceptable for themselves. It places a barrier before former Communist Party functionaries and army, militia, and security officers.

Quite recently, I was convincing my colleague in Prague that there would be nothing of the sort, no pursuit of communists in Hungary. Is it really rational to pursue Janos Kadar's cadres? "Democratic totalitarianism" will not manifest itself so clearly or so flagrantly with a

violation of the Charter on Basic Human Rights and Freedoms. I also cited the statements of Hungarian Premier J. Antall and his reaction to the "ideological background check" in the CSFR [Czech and Slovak Federal Republic]. He stated: "Crimes and violations of the law must only be examined individually."

It seemed that the Hungarian leadership would not utilize the principle of collective responsibility or collective guilt. But now it has become clear: the Christian Democrats intend to follow their own path—"to imprison them the way they themselves were imprisoned." In a word, they can condemn workers of the old structures as "traitors to the homeland."

"Even of all those people who worked in some organization of the CMEA or Warsaw Treaty Organization or who participated in foreign political activity as diplomats can easily be accused of being traitors to the homeland," wrote NEPSABADSHAG. "It would be good to know what the ruling coalition parties are counting on doing right now. Do they want to hold in fear and uncertainty all of those people who occupied any important posts under the previous regime? Or do they want to organize show trials against certain pensioners?"

Many lawyers see in parliament's decision a precedent for flouting fundamental juridical standards. This is what Z. Sente, a legislative organ worker who is well-known in Hungary, said in this regard: "This is nothing other than vengeance. The only goal of this law is pressure. However, the principle of an 'eye for an eye and a tooth for a tooth' is the principle of despotic states of ancient times and is totally unacceptable in a rule-of-law state."

Nevertheless, why did this vindictive draft emerge? Why has a wave of persecutions of communists begun to sweep the CSFR and Hungary? Right now a program of decommunization is also being discussed in Poland. Is not the influence of the August decision on banning the CPSU being felt here? Will this boomerang not return once again to Russia? All the more so after President B. Yeltsin's Decree date November 6, 1991.

Poland's Post-Election Situation Analyzed*92UF0217A Moscow IZVESTIYA in Russian 12 Nov 91
Union edition p 7*

[Article by IZVESTIYA Correspondent L. Toporkov, Warsaw: "During the Second Year of Shock Therapy: Reflections After the Parliamentary Elections in Poland"]

[Text] The fact that amazed not only individual political parties of Poland but also society: only 42 percent of the voters participated in the recent general elections. They cannot recall anything like it here. The fact of the absence of 58 percent of the voters signifies that the current composition of the Polish parliament cannot be representative and an inferiority complex will always hang over it.

It is a parliament of the minority. That is regrettable. Why did so many Poles refuse to participate in the election when such high authorities in the state as the president and the Roman Catholic Church, without mentioning the mass media, called them to action?

This is what Prominent Public Figure and Publicist M. Rakovskiy wrote on this score in TRIBUNA, the newspaper of the Social-Democrats: "The results of the first, which we reminded the people about every day, free elections have created a new political situation in the country. The economic and social policy that has already been carried out for two years, added to the politics of division of the Poles, did not find the support of the majority of citizens... This is the largest defeat of those forces that came to power in 1989."

M. Rakovskiy wrote that the authorities are attempting to relegate the leftist forces to the background of political life and to label them as "anti-reformists." The division of citizens into "good" and "bad" is occurring but it is the leftist forces, who have moved away from the dogma of the former party of communists and in harmony with Solidarity, that have completed a turn toward social life. The author notes that only a government of national harmony can enjoy the people's trust. Obviously, the situation dictates the need to organize a new "round-table," during which the main goal may be attained—the creation of the foundations of harmonious cooperation of all Poles for the sake of emerging from this deep crisis.

They can say that these are the conclusions of the former leader of the communists and that you cannot expect to hear anything else from him. But, first of all, Rakovskiy has always been distinguished by his reformist sentiments and he was, so to speak, a white crow in a flock of dogmatists and, secondly, not only he is providing this analysis of the situation. Take the newspaper ZHICHE VARSHAVY which does not bestow its sympathies on the former rulers. In its lead article under the expressive headline "Black Hole," it wrote: "The current political elites are distinguished by their arrogance and familiarity. They are resisting the 45-year legacy of postwar Polish statehood and their own biographies and they are attempting to erase the memory of the decades of the PNR [Polish People's Republic] from the popular memory which, they say, did not exist but which was one black hole. But this ignores the fates of millions."

The division of society into just and unjust, the promise of so-called de-communization, and simply the aspiration to eliminate former communists has ultimately resulted in the fact that many Poles have voted with their feet. The other, even more important reason is the authorities' economic policy that is not guaranteeing simple people a better life and social protection. Of course, the Polish market is currently filled, abundantly stocked, and varied. This is the result of "giving prices their freedom" and the free play of market forces. A consumer society is being born in which, however, not everyone is comfortable. A man who lives on one salary

or a pensioner or student who do not have "rear services" [tylov] are clearly tightening their belts, having restricted consumption to a modest selection of foods. But bread, milk, groats, potatoes, and meat byproducts—this perhaps is all that remains on the daily menu of many people.

How do the people regard those who build villas, buy expensive automobiles, and have luxurious weddings and receptions? Thirty one percent of those polled responded: "It is normal that people who have the means live well and show us how to live." Just as many of those polled selected this response: "If they have the money, let them live like that, only they should not parade their lifestyle." But meanwhile, every fifth person opposed demonstrations of wealth at a time, they say, when "many are barely making ends meet." Four percent were generally categorical in their sentiments: "This is a scandal. This should be prohibited."

It is significant that young people are the greatest defenders of wealth. They hope that they themselves will "emerge as people." But here, as evidenced by studies, you find this paradox. If, for example, 90 percent of Americans think that financial success or a career are attainable as a result of hard work, only 42 percent of Poles think so. Their top priority is a successful family situation, acquaintances, luck, and favorable circumstances. Work, education, abilities, and ambitions are a lower priority.

Now they have to overcome the original sin of a society of unwarranted wage leveling and a "no man's" national economy. Economic reform, based on a free market and privatization, is making its way in the world with difficulty. Right now, when discussions have begun about the composition of the future government and its program of action, the wave of criticism has intensified of Republic of Poland Vice Premier and Minister of Finance L. Balcerowicz, an advocate of the hard currency zloty and state noninterference in economic processes.

What are the primary indicators and predictions right now, when, according to Balcerowicz, the second year of "Shock Therapy" is coming to an end? Consultative Committee Member to the President of the Republic of Poland Professor Kurovskiy recently recalled that in March 1990, Balcerowicz assured millions of Poles on television that the decline of public production would not only stop but that a 3-4 percent increase in national income would be achieved. According to the most recent Main Planning Administration [GUP] data, if production decreased by 24 percent in 1990, they currently expect another 14.5 percent decline in 1991, and an additional six percent decline in 1992. This year retail prices have increased 71 percent and next year they predict a 47 percent increase. Current average salaries will increase 72-73 percent and right now they total somewhat higher than 1.5 million zlotys. Is this a lot or a little? If these zlotys were spent only on food, this is quite adequate: a kilogram of ham costs from 29,500 to

32,000 zlotys, sausage—from 22,000-23,900 zlotys, ordinary polish sausage—from 25,000-27,900 zlotys, and potatoes, onions, and carrots cost from 1,100 to 2,000 zlotys per kilogram. Sugar costs 6,000-7,000 zlotys per kilogram. But, furthermore, they need to raise children, purchase clothing, and pay large sums for apartments and utilities. I am already not talking about such a "luxury" as the purchase and maintenance of an automobile.... Difficulties with the privatization of state enterprises, the insolvency of many of them, the reduction of exports to the Soviet Union, and demand on the domestic market will result, according to GUP data, in an increase in unemployment to 16-18 percent of the able-bodied population which was one of the highest indicators in Europe.

So, all hope is for an effective continuation and definite adjustment of reform. So that the private sector, which this year will already provide 22 percent of industrial production and nearly 14 percent of exports, will even more rapidly "stand on its own feet."

Success depends on many factors, including on the acuteness of the political struggle and, appropriately, on the mood of the people who see in this struggle an obstacle to improving life. When the politicians want to make a favorable impression, they announce that harmony with the people is the primary condition for the success of economic development and democratic transformation. But party passions frequently provide their true feelings not freed from the fact that the communists in their time called it the class struggle and then the intolerance, "witch hunt," and division of fellow countrymen into first and second class people spills out onto the surface. Here the desire is springing up among many people to wash their hands of everything and to either sit at home or go on strike....

Bill on BSP Property Confiscation Criticized

92UF0273A Moscow PRAVDA in Russian
22 Nov 91 p 4

[Article by L. Kuznetsov, personal correspondent (Sofia): "The Boomerang Effect Cannot Be Excluded"]

[Text] A building on one of the streets in Nova Zagora is called a "monument to selflessness and the glorious dream." This is its story: The "Liberation" workers' cooperative association bought a small lot in 1922.

Construction began. People volunteered to work evenings and holidays. The money for the lumber, nails, and brick was collected by the communists in the city and those who sympathized with them. This is how the Party House came into being in Nova Zagora. It became a genuine cultural center, a meeting place for people with progressive social views.

The center did not last long, however: The fascist government headed by Tsankov ordered the "confiscation of communist property." It was not until 1948 that the building in Nova Zagora and other buildings belonging to the Bulgarian Communist Party were returned to their rightful owners.

It sounds as if justice prevailed, but now the cultural center in Nova Zagora could disappear again. A draft "Law on the Confiscation of All of the Property of the BSP [Bulgarian Socialist Party] and the Prohibition of Its Acquisition of Property in the Future" was introduced for discussion in the Bulgarian National Assembly by a majority decision (by the deputies from the SDS [Union of Democratic Forces] and DPS [Movement for Rights and Freedoms]).

Jurists feel that the bill cannot stand up to any kind of criticism. It is an example of the arbitrary and flagrant violation of the rights of a legal registered organization and of its members. "By the terms of this law," a poet said wryly at a rally commemorating the works of anti-fascist artist Nikola Mirchev, "all of the books, paintings, compositions, monuments, and scientific discoveries by past and present socialists would have to be confiscated."

The decision to confiscate the BSP's property reveals not only the hope of augmenting the funds of the parties currently in power, but also their desire to make use of the items of value that were created by generations of socialists. The main objective is to deal a crushing blow to the BSP, deprive it of resources, bleed it dry, and thereby remove it from the political arena. This is why the bill on BSP property is viewed by many here as an alarming symptom of a new brand of totalitarianism, a "navy blue" (the color of the SDS bulletins) brand this time.

The political implications of this arbitrary action, including its effects on the government itself, are truly unpredictable, particularly in view of the great strength of socialist traditions in Bulgaria. This is why one newspaper remarked that "the confiscation of party property could have a boomerang effect."

KOMSOMOLSKAYA PRAVDA on Start of Talks on Pullout From Cuba

PM1911103591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Nov 91 p 4

[TASS correspondent S. Sereda report specially for KOMSOMOLSKAYA PRAVDA: "You Cannot Frighten the Brigade With the Motherland"]

[Text] Havana—Talks have begun in Havana on withdrawing the Soviet military unit from Cuba.

However, what is at issue is not just the brigade but also the removal from the island of the U.S. Naval Base at Guantanamo.

The Cuban Foreign Ministry has recently been seriously concerned at the increased number of provocations by U.S. servicemen stationed at the Guantanamo base. A recently published Foreign Ministry note indicated the impermissibility of violations of Cuban airspace by U.S. military aircraft in the vicinity of the base. Less serious incidents, which are nonetheless the subject of "meticulous official inquiries" by the U.S. Government, are also occurring at the base. For example, in August the U.S. Interests Section in Cuba received Note No. 900 from the Cuban Foreign Ministry, which contained a long list of violations committed by a GI on guard duty at the Guantanamo base. Foreign journalists working in Havana were shown a video shot by Cuban military cameramen. What we saw corresponded exactly with the text of Note No. 900 concerning provocative actions committed by an American soldier on guard duty on a watchtower at the base. The things he got up to: He made "indecent hand gestures," aimed his submachine gun at Cuban servicemen, and "mooned twice in the direction of Cuban positions." And then, completely discrediting the lofty calling of the American soldier, "he exposed his sexual organs to a Cuban guard post."

Thank God that Soviet servicemen from the training brigade do not have to suffer anything like this, since several hundred kilometers separate Havana from Guantanamo. Admittedly, they have enough cares of their own, first and foremost about their daily bread. At the end of the summer a decision was made to switch to a new method of paying Soviet warrant officers and officers in Cuba—instead of being paid in local currency they are now to get U.S. currency. However, the promised money was paid only just before the arrival of the delegation that is to discuss the timetable for withdrawing the brigade, and at the moment, it is true, it is only being paid to those who are completing their stay on the island and will soon be homeward bound. But what can you do, the hard currency situation in our country is disastrous. It is good that they have been paid, otherwise some of the officers' wives were planning to stage a sit-down strike on the parade ground. It is hardly surprising since during the three months they were waiting for U.S. currency, payments of local currency were of course stopped.

The Soviet training brigade began dusting off their suitcases as soon as the decision to withdraw them was announced in Moscow. Which cannot be said at the present time about the U.S. servicemen from the Guantanamo base. It looks as though the Pentagon does not intend to voluntarily give back to Cuba the fair-sized chunk of its territory surrounding one of the most convenient bays on the island.

Political, Economic Future of Cuba Pondered

92UF0203A Moscow LATINSKAYA AMERIKA in Russian No 9, Sep 91 (Signed to press 20 Aug 91) pp 9-14, 24

[Article by M. A. Belaya under the rubric "Viewpoint": "Cuba: What Now?"]

[Text] Even in the fall of 1990 the situation in Cuba did not seem so bad and in some respects even better than in the Soviet Union. The smiles, cheerfulness, and liberated atmosphere on the streets of Havana contrasted sharply with the pessimism, nervousness, and uncertainty about the future which reigned in Moscow and far beyond it. The coupon system guaranteed each family a minimum of food. A number of essentials were sold freely. At approximately the same time that Moscow was undergoing a "bread" crisis, and then an "egg" and "dairy products" crisis, the little that did appear on the shelves was swept up in battle in the twinkling of an eye, and an ominous picture of possible famine and economic chaos in the near future began to take shape.

The Cuban leadership, it seemed, had a precise strategy and tactics for resolving the crisis, focused on achieving economic independence on the basis of priority development of biotechnology, the pharmaceutical industry, and tourism and resolution of the food problem relying on the country's own strengths. The impression was intensified by comparison with the situation in the USSR—rejection of the "500 days" program, the lack of an economic strategy, the Union government's indecision, the loss of valuable time, and, as a consequence, retardation of the transformations needed to at least stop the country from sliding toward the abyss.

Cuban achievements in the social field, especially in the sphere of medical services to the population which in terms of its level surpassed much of what had been created in the USSR over its 70-year history, looked impressive. And although during this period talk circulated in the Union that all Cuba's successes in the social field were "bought" with Soviet money, the argument that the money in this sphere was spent for "good" purposes rather than "eaten up" or "squandered" by no means lost its impact. If you add to that the faith in socialism which was preserved at a mass level, trust in the government, and especially loyalty to Fidel Castro, on the whole the impression was given that the socialist model in Cuba, despite all its shortcomings both in the

economic and in the political fields, in 30 years has not yet exhausted itself and still has certain chances for continued existence.

Striking changes occurred in Cuba in half a year (from November 1990 to May 1991). The provision of foodstuffs to the population sharply deteriorated. Formally the minimum guaranteed by the coupons remained the same in quantitative terms. But some products and industrial goods began to be issued with significant delays, while others, butter and toilet soap for example, disappeared altogether. The most significant thing, however, was the rationing of products which in the recent past were sold freely, for example eggs (five a week) and bread (80 grams a day). Back in May bread was sold freely, but there were enormous lines for it. The disappearance of products from free sale (with the exception of fruits and vegetables, the abundance of which, it is true, we do not need to speak of) led to a substantial deterioration in the food supply and in many cases to people simply not getting enough to eat. Food products issued to an adult over a month are sufficient for roughly 10-15 days. This period can be "stretched" slightly (up to roughly 20 days) by eating at work. The shortage is partially compensated for by the black market, which is very active. However, it is no longer able to satisfy the "growing" needs of the population.

The difficulties are not exhausted by the food problem, although, judging from everything, it is the most acute. Unemployment is growing at a fast rate, on the one hand stimulated by the closing of major enterprises and on the other, by the return of the Cuban military contingent from Africa. Striving to alleviate the problem of employment if only to some degree, the Cuban leadership is sending completely, partially, and temporarily unemployed people, including highly skilled cadres, into construction work, of which there is no shortage because of the approaching Pan-American Games in Havana, and to agricultural work. The sharp deterioration in the work of public transport, which in the best of times functioned poorly, and the ever-increasing interruptions in the supply of electricity, water, and gas are also among the difficulties. The attempt to resolve the problem of public transport through the broad popularity of bicycles has up to now not provided tangible results: bicycle traffic remains the exception rather than the general rule. There continues to be no solution to the housing problem. The streets of old Havana, which according to UNESCO classification are the "property of humankind," are grown over with dirt and covered with piles of garbage and waste which propagate foul odors under the scorching rays of the tropical sun.

The distressing impression from Cuban reality deepens the sense of "déjà vu" or, to put it more simply, a return to the recent past and even worse—a meeting with Soviet realities which are painfully familiar. The Cubans love to emphasize how they differ from East Europe, and that includes the Soviet Union. The major differences between Cuba and the East European states, where, as people now say, "socialism was brought on the bayonets

of the Soviet Army," are beyond question. As for the comparison with the Soviet Union, at the present time it is not so much the difference as the striking similarity which impresses you.

It is no secret that since the 1970s the Cuban model has in many respects been a replica of our, Soviet model, at times implanted by us and at times copied by the Cubans. The tropical atmosphere and the psychological, historical, and other differences have up to now camouflaged this fact. However, over time it has begun to emerge like invisible ink under the heat of a lamp.

Shortages of everything. Lines for bread. Men running along the streets with empty bottles. Unlike Soviet reality they are not exchanged for new full bottles. Rum is poured into the customer's container right from the tank. (There is something we can learn from that!) Talk of the possibility of resolving the crisis on the basis of socialism and within the framework of socialism... And, finally, the avalanche of anecdotes, including political ones... The Cubans, it is true, assert that there have always been all kinds of different anecdotes circulating in Cuba. It seems, however, that this is not quite the same and that at the present time anecdotes in Cuba perform the function of social protest rather than simple making fun.

A sharp fall in the standard of living and the worsening living conditions of the population clearly lead to social discontent. The weariness, irritability, and tension which are so uncharacteristic of the Cubans are widespread if not dominant.

According to the official Cuban version, discontent is limited to the economic area. I think, however, that these assessments are not in keeping with reality. Anti-Fidel ("Fidel used to be good, but now he has gone bad") and antisocialist sentiments are becoming more and more widespread, at least in Havana. It is difficult to judge the situation in the provinces in view of the lack of information. According to some information (unverified), the "everyday" situation in some provinces is worse and in others—better than in Havana; however, the population is noted for being apolitical and chooses the local authorities or representatives of the local elite as the object of their discontent rather than the central leadership.

It is fairly difficult to say how widespread anti-Fidel and antisocialist sentiments are—the phenomenon of a double standard, when people say one thing on the street and something altogether different at home or say one thing and think another, is very, very evident in Cuba. So you can speak of these sentiments more as just a trend, although it is true, a very symptomatic one. What is beyond a doubt, however, is the recognition by a large part of the population of the need for changes. The question is what changes.

The most popular viewpoint, which is common among representatives of the political elite and academic circles, comes down to a need for changes within the framework of socialism. In Cuba you can hear quite frequently the

phrase forgotten in the USSR, "More democracy, more socialism." That implies the need to hold direct elections at virtually all levels (without affecting the highest post in doing so) in order to legitimize the governmental and party organs and thereby mobilize the support of the masses during the most difficult period, until measures to achieve self-support in food and economic independence provide results. It is assumed that the results in the food sphere will arrive by 1993. The advocates of this viewpoint believe that in the future Cuba has fairly good chances in the foreign economic field, since it has such "salable" goods on the world market as sugar and nickel and will also be able to diversify its import of oil. Such arguments look fairly doubtful if we consider, on the one hand, the United States' rigid economic blockade and, on the other, the fact that Cuba needs to sell and buy too-large quantities of sugar and oil, which clearly complicates simple and rapid decisions. This is so, needless to say, if China does not give Cuba assistance, which is more and more problematical. To what degree this viewpoint really corresponds to the sentiments of the masses remains anyone's guess—we already spoke of the double standard.

In conversations on this theme, most Cubans show restraint and usually limit themselves to merely stating the need for changes, preferring not to specify what changes. The substantial interest in perestroika in the USSR may serve as an indirect indicator of what they think. However, there is very little information on the transformations in the USSR in Cuba. Even specialists professionally involved with the USSR have limited access to it.

In addition to the advocates of changes within the framework of socialism, there apparently exists in Havana a rather small (for now) stratum of people who want to return to capitalism and even welcome American intervention. Let us emphasize that these sentiments are already openly expressed in conversations with foreigners, including Soviet citizens.

Stating the need for changes within the framework of socialism logically poses the question: what kind of socialism does that mean?

The following viewpoint is the most popular in Cuba (it is also the official one). The failure of real socialism in Europe—it is often called "false" socialism in Cuba—does not mean either the complete defeat of the socialist alternative, let alone the socialist idea. "Bad" socialism is disappearing, but the future belongs to "good" socialism. In light of that, Latin America does not need European socialism but its own, Latin American socialism, which J. C. Mariategui spoke of back in his day.

One of the variants of this opinion amounts to the idea that what happened in the USSR was not socialism at all, since it by no means corresponded to the ideas formulated by Marx.

One gets the impression, however, that both in Cuba and in the leftist circles of Latin America, the matter is for now limited to stating the unacceptability of European socialism as well as the recognition of the need for a serious analysis of the causes of its defeat. The contemporary conception of Latin American socialism has not been formulated in general terms, let alone in particular details.

However, I must mention that the experience of China is being studied in a most serious way; apparently the country's political circles believe that it gives the Cubans the possibility of carrying out profound economic reforms while preserving socialism.

The question arises of whether socialism in Cuba has become a kind of fetish which is maintained because rejecting it would inevitably lead to complete discrediting and removal from power of the country's present leadership as well as deterioration of the political and socioeconomic status of a fairly broad stratum of people connected to it, or if even now it continues to hold valuable meaning for the Cubans. As a rule, the following arguments are cited in defense of Cuba's socialist orientation. First is that the destruction of socialism will lead in the most direct way to the loss of national sovereignty. This means that rejecting socialism will be equivalent to becoming dependent on the United States. It is notable in light of that that Cuba's relations with the USSR are by no means interpreted as dependence, despite obvious indicators in the economic and in some cases the political sphere. Second is that thanks to socialism Cuba was able to make definite achievements in the social sphere. Today, however, the question arises of whether Cuba will be able to preserve its social achievements given the reduction and possible termination of Soviet aid. Third is that rejecting socialism will create even more economic, political, and social problems than preserving it in view of the lack of favorable conditions for Cuba's inclusion in the world economy. One of the key questions here is what economic role wealthy representatives of the Cuban emigration will play in Cuba given a certain turn of events. Some of them are already declaring their readiness to "pour" food and consumer goods into Cuba for two weeks (after the overthrow, retirement, or death of F. Castro), which most likely would not be difficult to do, taking into account that Cuba's population is slightly more than 10 million. It is unclear and doubtful, however, whether the Cuban emigration would begin significant investments of a long-term nature, which sectors these investments would be concentrated in, and what the consequences would be in the economic and especially the social spheres.

What are Cuba's economic and political prospects? In view of the shortage of reliable information, it is simply impossible to give any scientific economic forecast at all. We can merely speak of certain observations and proposals.

Cuba's economy is now undergoing one of the worst periods of its existence over the last 30 years; in many

respects this is related to the sharp weakening of its foreign support—discontinuance of USSR aid and the emergence of serious problems in the sphere of Soviet-Cuban cooperation as a result to a significant degree of internal economic difficulties in our country. The USSR's role must be discussed specially, in particular because this role frequently either is kept from view or is hushed up out of shame. I am far from putting all the blame for the present economic situation in Cuba on the Soviet Union; the Cuban side also deserves quite a lot of "credit" for this. However, we should not underestimate the USSR's role either. From my point of view, the USSR bears direct responsibility for implanting an inefficient model in Cuba. (It is another matter that we implanted it and the Cubans not only allowed us to do so but even helped us do it.) We should also not forget that for a long time the Soviet side tried in every way to convince the Cubans that the solution to their economic problems lay in the path of Cuba's integration into the socialist market. Cuba was included in socialist integration. But now it has become one of the worst victims of its failure. And finally, we should also bear in mind that the Soviet-Cuban agreement on cooperation for 1991, at least until June, has hardly been fulfilled at all (if deliveries of oil are not counted), and this is to a significant degree the fault of the USSR. We are not talking, it is true, of any bad will but of more prosaic things—the chaos in the Soviet economy, the disruption of Center-republic-enterprise relations, the sharp fall in production, difficulties with transportation, and so on. However, that clearly does not make it any easier for the Cubans.

Cuba has made an attempt to find nontraditional ways to resolve the crisis. But up to now they have not provided significant results. Reliance on biotechnology and exporting medicines is not working out. Tourism is developing gradually, but besides large capital investments the creation of the necessary infrastructure is needed. The food program at best will provide tangible results in 2-3 years.

The introduction of a free market in agricultural output might provide some solution for the food problem; in other words, measures similar to those which were adopted in Cuba in the late 1970s-early 1980s. However, they were terminated by the country's leadership as "stimulating social stratification of society" and their repetition in this stage would be fairly problematical, since at the least mistakes would have to be recognized.

But in this stage the main problem is providing deliveries of oil to Cuba. Given the sharp fall in petroleum extraction in the Soviet Union, it is difficult to imagine that our country could maintain even the present level of deliveries, even if the political will existed. Correspondingly, the prospects of Cuba's economic survival will depend in many respects on whether Mexico, Venezuela and/or Ecuador will even partially compensate for Soviet deliveries. The latter will in turn be determined by what

concessions the Cuban leadership will make in the political sphere. Specifically that means conducting free elections. If the Cuban leadership manages to come to terms on deliveries of oil from the countries of Latin America quickly, it will in this way secure itself some more time to survive and maneuver. But in any case Cuba's economic prospects are dismal, or rather, if the present situation continues, Cuba will simply have no prospects for economic development. We most likely can talk only of economic stagnation.

What can the further development of the political process be in light of the facts stated? The most varied scenarios are being discussed in the world now—from the murder of Fidel Castro to the supreme leadership starting changes along the lines of the Chinese reform. Let us immediately reject such highly unlikely scenarios given the continuation of the present situation in Cuba as a military coup, conduct of radical transformation along the lines of Soviet perestroika, and even, apparently, the Chinese variant, the so-called "way of Deng Xiao Ping." Of the remaining, the "Romanian variant" or mass demonstrations against the regime enjoys the most "popularity." The sharp deterioration in the economic situation in Cuba, the growth in the population's discontent, and the demonstration effect—the failure of socialism in East Europe—certainly do create a breeding ground for this variant.

However, Fidel Castro has up to now maintained the support of at least the older generation. There are a sufficient number of middle-aged people for whom the revolution opened up possibilities for advancement up the social ladder. The nomenklatura, which occupies a privileged position in society and does not want to lose it, supports the status quo. Moreover, the country has not been brought either to starvation (although there are already instances of people not getting enough to eat) or to a high child mortality rate. It should also be taken into account that the prospects of integration into West Europe "lit the way," though dimly, for East Europe, after it decisively rejected socialism. The prospects of integration in the Caribbean Basin, vividly represented by neighboring Haiti and the Dominican Republic, "lights the way" for Cuba. We should probably also not forget the prospects of a return to the past, when Cuba was essentially an American "public domain," which is unacceptable to many Cubans. And finally, people's fear of undertaking any vigorous actions given the harsh authoritarian regime may play no small role. Here it is difficult not to recall the Soviet Union's recent history, when discontent was universal but was expressed primarily in the kitchen and only a handful protested actively. In this way, although certain conditions for the "Romanian variant" exist, very serious "limiting" factors also exist.

While the possibility of a political upheaval is questioned (without ruling it out completely), the path of stagnation, economic, political, and social, is in fact opening up for Cuba. In other words, a road to nowhere which in certain conditions could prove to be quite long.

The question of what changes may occur in the very near future can be cleared up to a certain degree during the meeting of the leaders of the Latin American countries in Mexico and the congress of the Cuban Communist Party, when it will become clear whether political transformations will be carried out in Cuba, and which ones. There is virtually no doubt that if even the most modest liberalization measures are not undertaken in the country, in time it may result in the erosion of the regime's foundations. History provides quite a few examples of how liberalization which has barely started acquires its own logic of development which is extremely difficult to stop, assuming, needless to say, the Chinese experience is not resorted to—the bloody suppression in Tiananmen Square.

And the last thing. Virtually all of Latin America, and not just Latin America, is united by an understanding of the need for changes in Cuba as well as the desire that these changes not be in the nature of a cataclysm. And the most important thing is that the United States not intervene in the internal processes in Cuba. For the death of a Cuba independent of the United States would be a heavy blow not only against the leftist forces of Latin America, but against continental self-consciousness as well, and would serve as the latest evidence of a new solidification of U.S. domination in the region.

May-June 1991.

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Chinese 'Tourists' Suspected of Espionage Activities

92UF0206A Moscow SELSKAYA ZHIZN in Russian
Nov 91 p 3

[Article by L. Korotkov: "In A Crowd Over the Border"]

[Text] In September of this year six Chinese tourists vanished without a trace in Blagoveshchensk during lunch in a cafe. No one noticed how this happened. All members of the group arrived for lunch, but after they got up to leave six were missing.

At first no special significance was attached to their absence. It has frequently happened before where Chinese tourists, having arrived for one day in Blagoveshchensk disappeared from the field of view of group leaders and guides for a period of time. After all, it is no longer a secret that considerable commercial interest forms the basis of the hullabaloo which developed recently around the tourist exchange between Blagoveshchensk and its Chinese neighbor city Heihe. It is true, after paying less than two hundred rubles for the trip it is possible to bring goods worth several thousand from beyond the Amur River. Similar possibilities are also available to the Chinese thanks to our dealers who trade in the deficit. Therefore both our tourists and the Chinese are attempting to devote every free minute to the search for needed goods and mutually advantageous barter deals, sacrificing their lunch and other protocol measures for that purpose.

Concern for the fate of the missing Chinese tourists began closer to evening. After the last vessel departed in the twilight for the Chinese side without them a search for the fugitives was initiated by the "properly qualified organs."

I shall not go into detail as to how they searched for the vanished Chinese tourists. I will merely say that the disappearance of the foreigners was reported many times by local newspapers and radio. Pictures of the six who melted away into our boundless expanses were shown several times on television. But the Chinese tourists seem to have disappeared into thin air without leaving a trace... They surfaced, and not all of them at that, just a month later at the other end of the former Union, on the border between the Ukraine and Hungary.

First, one of them swam the Tisza River on the border near Mukachevo and turned himself in to the Hungarian border guards. They, in turn, delivered the fugitive to the Chinese Embassy in Budapest. Then two others crossed the border at the same place, with similar success. But the Hungarians turned them over to our authorities. The fourth "Blagoveshchensk Chinese" who was also detained in the Ukraine, in our border zone, suddenly presented documents granting the right for transit to Italy and was sent packing in comfort across the border. The other Chinese who disappeared in early September in Blagoveshchensk are apparently still on the run.

Two of the "tourists" detained at the Tisza were brought to Blagoveshchensk and after a meeting with agents of the oblast state security administration, sailed for their homeland.

Let us take a closer look at the six "who did not return". They all came from the same area, residents of a small town in South China. According to them they went to Blagoveshchensk with the aim of reaching Italy through our territory. Over there, somewhere below Rome, there is a Chinese colony where their relatives reside.

They departed Blagoveshchensk with comparative ease. Four of them on a train which left half an hour after the lunch ended and two in a taxi. In this manner, reaching the small town of Belogorsk on the Trans-Siberian Railway, the foreigners stuck a note with the words "Chita" and "Moscow" in the ticket window and travelled on in comfort wherever they wanted.

It is amazing how a whole group of Chinese passed through the entire country with such ease, like a knife through butter. But perhaps there is nothing amazing here after all. General anarchy, disorder, and a break in former ties, when, for example, the independent Ukrainian KGB for weeks ponders whether to help the Amur KGB with the search for the fugitives, all served to ensure success for this cross-country run.

Something else is even more amazing. How could it have happened that this run became invisible, how these Chinese without knowledge of the Russian language managed to filter through the country so easily and freely? It is understandable that beyond the borders of the Amur Oblast no one cared about them—some foreigners are travelling, let them travel, particularly since their documents, as it turned out later, suited every occasion. But in the Amur Oblast, which followed the rules for decades, how did they manage to blend in? After all, radio was used extensively and their photos were broadcast like advertisements on television. It is impossible to traverse our oblast in one day by train but none of the fugitives were "either seen or heard."

All right, the taxi driver kept his mouth shut—he received an extra hundred for the ride to Belogorsk. One must likewise assume that the railway ticket clerk wrote out tickets for the foreigners at the ordinary rate "not for free." She also kept quiet for money. There was no reason for those sharing the railway compartment to "report where necessary" because they exchanged money for the Chinese at a rate undreamt of by our Ministry of Finance: hundred rubles for a hundred dollars. Still, dozens, hundreds of persons saw the fugitives at railroad stations and on trains but no one suspected that something was amiss...

Let us think about why it happened this way.

In bygone years the streets and squares of Amur cities were "adorned" with standard posters. A stern looking soldier wearing a green cap proclaimed: "Living on the border—Be vigilant!" The posters, of course, looked

shoddy, they were produced in accordance with the All-Union stereotype. But at the same time the word "vigilance" was not considered to be a bad word in the Amur. The phenomenon it designates still existed here in recent times and its practical application to the state border produced considerable good.

Of course I am not speaking of the turns and twists of bureaucratic minds, which for many years cut off the border villages from the Amur with barbed wire. I am talking about the fact that the population of the border oblast considered the border itself as a "sacred frontier" which must be guarded by "all the people."

Until quite recently it was only necessary for someone to appear anywhere in the border zone who was not merely foreign in appearance but just a stranger to the local residents for the nearest frontier post to be immediately informed. Not too long ago the driver of a bus delivered a stranger who hailed it along the road directly to the border guards. This driver was not wrong: that person indeed turned out to be a border violator. There have been a great number of such cases. Villages along the Amur had frontier brigades, it was considered prestigious among school children to belong to circles of young friends of the border guards, and dog breeding societies trained sheep dogs for border guards...

Where are these brigades and these circles now... At present the state border, in the opinion of many, is certainly not a "sacred frontier" but a village wattle fence which can be scaled by anyone without risk of tearing one's clothing. Last summer a resident of Blagoveshchensk, with drunken bravado, swam to China in full view of all those at the beach. In the upper reaches of the Amur the crew of the diesel vessel "Bryanta" organized a picnic for themselves on the Chinese bank, which ended in a drinking binge. The Chinese too, frequently moor along our bank and steal everything that is not secured.

It would seem that our state does not suffer any particular loss from all of this. Most importantly relations between the states are strengthening and the exchange of commodities and tourists is expanding. But the fact that each month more than four hundred border violations are recorded on the Amur, it seems, bothers no one except the border guards.

But the point is that all of this, often conceals matters that are extremely serious. Let us consider those six who did not return whom we mentioned at the beginning. One of them turned out to have documents granting the right for unhindered passage to Italy. Why then did he arrive in Blagoveshchensk with a tourist pass in hand and then for a whole month stealthily thread his way over this vast country toward the western border? Two others turned up with passports that were completely different from those with which they crossed the border to Blagoveshchensk. In addition to that one of the

passports contained the stamp of a frontier control post located on the border... in the neighboring Chitinsk Oblast.

Such an unusual collection of facts plus the strange behavior by the fugitives provided grounds for our counterintelligence to assume that they are dealing not with peaceful peasants from a southern province but with individuals closely associated with intelligence services of their country. This, however, is clear even to those who are not specialists. One must assume that these spies, let us call things by their correct name, carried out a mission similar to that which was assigned to the ill-fated "Boeing" of the South Korean airline to penetrate foreign territory, find out how the forces of counteraction react, feel out the weak spots, and work out movement routes.

Well, friendship is friendship and intelligence service is intelligence service. It has its own tasks and it performs them as it can thereby benefiting its country. I feel confident that our own intelligence performs a similarly necessary function. But as a citizen of my country I am "anxious" for us not to play into the hands of others so that our team would win in this serious "game." Although I do feel that our "players" have it much tougher. They say that in China the word "vigilance" has not been relegated to the archive.

Japanese Daiwa Securities Strategy With Russia Unchanged

92UF0230A Moscow IZVESTIYA in Russian 15 Aug 91
Union edition p 6

[Report by IZVESTIYA Tokyo special correspondents M. Berger and S. Agafonov: "Securities Are Money"]

[Text] When asked about the changes in Daiwa securities in relations with the Union or what would replace Daiwa after the August events, Esitoki Chino, the honorary chairman of the company's board, answered somewhat unexpectedly: "I see no reason whatsoever to revise our strategy."

Even less expected or, more accurately, impossible to explain was the visit paid last January to Moscow by the head of the most powerful Japanese securities corporation. What sort of actual stocks, bonds, or security exchanges could be in question as long as words such as "privatization," "private property" or "capital market" were causing heartburn or, at best, there was a simple lack of understanding of what this was all about among many active politicians. The peak of the reaction, the elimination of even the timid half-reforms which perestroika had dared to make, occurred at the beginning of the year. Tragic events were developing in the Baltic area... Yet people had come here to discuss cooperation in an area which did not exist, and no one knew whether there was any hope for its appearance soon.

Naturally, the trip of such high-level representatives of the Japanese financial business sector was an event, for

throughout the postwar years, financial corporations did not develop their activities in our country, mainly for political reasons. However, this head of a company whose net annual income exceeds one billion dollars (one of the best indicators for this type of activities in the world) was interesting not only and exclusively in terms of political view of the trip. Agreements were signed on cooperation with the Russian Ministry of Finance and the World Economics Institute calling for consultations and various types of aid, not only in the training of specialists, but more especially in organizing a securities market and privatization.

At that time, the signing of documents with such intentions seemed to us like a formality, involving concepts which lacked any real base at least in the immediate future. As the development of events indicated, it was we and not Daiwa who were wrong, for Daiwa proved its skill in structuring a strategy in such a way that it would not be altered with the change in circumstances.

As early as March, the company created a special department for the USSR and Eastern Europe headed by the experienced professional Yasio Inami. One would think that it was counting seriously on the fact that in these areas, Daiwa would be quite active.

In principle, the financial market in which Daiwa and companies similar to it operate in trading and securities represents the peak of the market structure, a most complex and sensitive mechanism for controlling and tuning it. By no means does everyone, even in the most developed market countries, understand ordinary exchange terms such as "futures" or "options," or the meaning of the whole range of securities, or even the names of the laws and rules governing their turnover, without special training. How could we think about such things? However, one must think and act, for without stocks and bonds, without all that is included within the "capital market" concept, we shall be unable to change our economy or our quality of life for the better.

The floating and free circulation of shares and other securities, confirming the fact that their owner possesses a large or small amount of capital and has the right to corresponding income, is the only way of putting an end to the total ownership of plants, factories, and real estate by the state.

Millions of active and potential owners of securities in the West and tens of thousands of companies desirous of issuing and selling their shares cannot "deal" with the stock exchange, perhaps solely by virtue of technical reasons. Therefore, in order for this huge mass of capital to move freely from company to company and from owner to owner, brokerage firms get into the game. Actually, it is these firms which operate on the stock exchanges. They range from small companies to gigantic corporations such as Daiwa, with its 12,000 employees and more than 40 branches throughout the world.

Understandably, companies of this kind and on such a scale are the product of a highly-developed and highly-organized market. A listing of the services Daiwa provides, for the advertising of which alone it spends about \$40 million annually, would take several pages. Its supermodern computer center, with the latest supercomputer, one of only some 1,000 of its kind throughout the world, enables it to obtain the information needed from anywhere in the world in a few seconds, literally, and the system of triple backup for its computer network virtually excludes the development of any problems caused by technical reasons. In showing us their computer miracle, which occupies an eight-story structure especially built for the purpose, its owners pointed out that the IZVESTIYA correspondents were the first foreigners to see this corporation holy of holies. One would think that in so doing, they wanted to emphasize their special favorable inclination toward and trust not only in the newspaper but in the country. Only a couple of years ago, such a trip by Soviet representatives would have hardly been possible.

Daiwa even has its own satellite television, which provides information and business programs for its clients throughout the world every day, from morning until night. No other nontelevision company can boast such broadcasting volume. Its scientific research institute (with which our Institute of World Economics is cooperating directly) is one of the largest private scientific research centers in the world. Giants can afford to spend money for the convenience of those for whom they work, and even for those with whom they intend to work.

Without relying on immediate returns, big companies can invest funds in the study of a market which has to date been promising but unstable and risky, such as ours. They could spend substantial funds on technical assistance and the training of specialists. They could, but not all of them, by any means, deem it necessary to do so. Daiwa is one company that does. We were able to see and even hold in our hands the "material proof" of the fact that the company has quite serious intentions concerning our country. Daiwa has prepared a 30-minute video in the Russian language (and on pal-sek video cassettes) on the subject of the market economy, how it developed in Japan, and what we might learn from this experience. The film is clear, vivid, and provides the simplest yet very convincing examples and arguments. There is no doubt that the absolute majority of viewers would be able to understand everything, regardless of educational level and type of occupation.

Daiwa's work entitled "Suggestions on Introducing a Stock-Ownning System in the USSR and Related Problems," presented in Russian and drafted by the department for the Soviet Union and Eastern Europe, is of a more special nature (the first part of the name of the department will probably be subject to some change). This work aptly combines elements of a textbook on and brief history of securities with practical recommendations based on accurate knowledge of our reality.

This book begins with simple arguments in favor of the introduction of a shareholding system. The authors also present their views on the type of enterprises which should be privatized and those which should remain under state control, pointing out that in this area, each country has its specific features. Whereas in the United States, even the administration of prisons has been assigned to private companies, in Japan (and probably in our country—author) this would be absolutely inconceivable. The Daiwa experts draw our attention to the fact that enterprises today virtually ignore the assessment on the land they occupy, although this is absolutely necessary in order to determine the value of their capital.

The book discusses at length the laws and regulations which govern the circulation of securities, and makes proposals concerning similar legislation to be developed in our country. We will cite only one, which, in addition to everything else, proves that the company has no secret plans for getting rich in our country at our expense, although suspicions to this effect develop frequently

(sometimes justifiably) concerning Western companies which show interest in our country.

It is stated in one of the chapters that whenever direct foreign investments become possible in the Soviet economy, it will be necessary to settle issues pertaining to limitations on the number of sectors allowing foreign capital and the number of shares per investor, with a view to protecting the national interests of the USSR.

Looking at what is happening in our country, and listening to and reading the advice given to us by Western experts and partners, it is difficult to ignore the feeling that it is we who are least concerned with our own affairs. As to aid, perhaps we should begin by learning how to understand and realize our own interests, the interests of society, not to the detriment of others, but with a view to general satisfaction. As we can see, there are both teachers and consultants, should the need for them truly arise. The sources include Daiwa, although it is not the only one.

Poll Respondents See Israel as Cause of Mideast Tension*OW2611085091 Moscow INTERFAX in English
0719 GMT 26 Nov 91*

[From the "Viewpoint" feature; following item transmitted via KYODO]

[Text] According to the "DATA" News Agency, in November the National Public Opinion Studies Center took a survey among 2035 respondents throughout the country asking them what is the reason for the continuing tension in the Middle East.

- 21 pointed to the aggressive policy of Israel.
- 16 said tension is fuelled by terrorist activities of Arab movements and states.
- 6 accuse the United States of America of heating up the Middle East tension.
- 4 blame the Soviet Union.
- 53 were undecided.

Surprisingly, the number of respondents blaming the U.S.A. is the largest in Central Asia (12) and the smallest—in Russia (4).

Margin of error—3

Russian-Arab Friendship Society Created*92UF0233B Moscow SOVETSKAYA ROSSIYA
in Russian 14 Nov 91 p 3*

[Report by V. Afanasyev: "The Creation of RODAS"]

[Text] A constituent conference was held last Tuesday at the Moscow House of Friendship With the Peoples of Foreign Countries at which the decision was made to found a Russian Society of Friendship With the Arab Countries (RODAS). Those attending approved the bylaws of the society and elected a board of officers and an auditing commission. Yuriy Ivanovich Barashnev, doctor of medical sciences and deputy director of the All-Union Center for the Protection of the Health of Mothers and Children, was elected board chairman.

In noting the timeliness of the founding of this society, the speakers emphasized that the Arab world includes more than 20 countries with vast resources and established political, economic, cultural, and other relations with Russia. Despite all the difficulties being experienced by the Soviet Union, the speakers mentioned in particular, some 500 boys and girls from Arab countries are ready to come to the country next year for studies and training, medical in particular, in Russian VUZs under the auspices of the society. One of the tasks of the newly-founded organization is to assist them in this endeavor.

"It can be said that our relations with the Arab countries are currently in a state of deep crisis, for a variety of reasons," Dr of Juridical Sciences L.R. Syukiyaynen, sector head at the USSR Academy of Sciences Institute of the State and Law and a member of the RODAS board, said in speaking with our correspondent. "There has been a substantial turn away from this region. There has been a withdrawal not only from our foreign political priorities, but possibly from our foreign economic priorities, as well. We are making a major error with this attitude. I am confident, however, that time will pass and life itself will make it necessary to take a new look at the situation.

"There are those in our country," L.R. Syukiyaynen went on to say, "who believe that for many long years, we gave various types of aid to the Arabs and obtained nothing or very little in return. This is entirely false! Here is a recent example. According to data from Arab sources, a group of Arab countries has given the USSR financial support in an amount of no less than \$10 billion in the past one and a half to two years. This is substantially more than the aid provided to us by all of the Western countries in the same period of time. Our foreign policy today is essentially oriented toward the West. But should we forget the fact that we have old friends in the East?

USSR Urged To Resolve Afghanistan Situation*92UF0233A Moscow NEZAVISIMAYA GAZETA
in Russian 29 Oct 91 p 4*

[Article by Vladimir Zolotukhin: "We Are Quite Guilty With Regard to That Country"]

[Text] The time for considered decisions on the Afghan problem has come.

Twelve years ago we went to Afghanistan to "help the Afghan brothers to defend the Saur revolution and to build a socialist society." At that time, no broad-scale combat operations were taking place in that country, and the entire opposition, armed essentially with primitive flintlock weapons, did not exceed about 30,000 individuals. Following our arrival, the numbers increased substantially, and the counteraid in modern weapons supplied by the United States, Saudi Arabia, and Pakistan (which was quite easily predictable) transformed the mujahetdin into a powerful armed force. In order to achieve the objective of building socialism of the "stagnation" model, our leadership had no choice other than to strengthen the ruling regime, to send hundreds of aircraft with weapons to Kabul, and to sacrifice the lives of thousands of Soviet soldiers from the "limited contingent" of troops sent to Afghanistan.

Even our withdrawal from Afghanistan did not stop the bloodshed. Combat operations are continuing, missiles are being fired, and peaceful people are dying. How can this fratricidal war be ended so as to have peace on Afghan land?

There are those who believe that in order to achieve this, the termination of all support to the ruling Najibullah regime in Kabul should suffice.

This would be easy. But let us consider the possible course of events in such a case. Naturally, the military activities of the mujahetdin would immediately increase, and they would try to overthrow the ruling regime by force. Najibullah's supporters would be forced to defend themselves with the rage of the doomed, for what happened in Hosta, after it was captured by the mujahetdin, where not only the defenders but also their families were slaughtered, clearly indicated that no one should expect any mercy from the "irreconcilables." Najibullah has, and not without our participation, an adequate volume of weapons. This means that the war would begin to escalate and would cost the lives of another several hundred thousand Afghans. Is this morally acceptable?

If there were such a development of events, we would also have to solve the problem of the thousands of Afghan refugees who would be forced to seek safety in our territory from the knives of the "irreconcilables." In my view, however, the most terrible thing would be that if the opposition achieved a military triumph, there would be no peace on Afghan soil, for today several hundred percent more Afghans are dying as a result of the various clashes among the different mujahetdin factions than died in the course of the combat operations between the opposition and the regime in Kabul. Therefore, the war will go on, a war for spheres of influence, leadership, for the opposition detachments have more than enough weapons.

We bear too much guilt with regard to that country to state suddenly that whatever takes place in it does not affect us. The high moral level of our Afghan policies should involve putting an end to this fratricidal war.

In order for this to happen, we must work hard to make the warring parties realize clearly that today, no side can achieve a military victory, and the only solution will come from sitting down at the conference table, creating a government of national trust, and holding free and democratic elections, so that the Afghan people themselves can determine who is to be entrusted with their destiny.

Several months ago, it seemed that such an understanding had been achieved. On 21 May 1991, Perez de Cuellar, the secretary general of the United Nations, issued a statement in which he expressed his views on how a domestic Afghan settlement could be achieved, founded on the need to preserve Afghanistan as a sovereign, integral, independent, and nonaligned Islamic state. His plan was based on the idea of an inter-Afghan dialogue which would result in the creation of a broadly representative government, putting an end to combat operations in the course of the transitional period, and acknowledging the need to allocate adequate financial and material resources to facilitate the difficult situation of the Afghan refugees and their return home.

The parties were already prepared to start discussions but...then came August 1991 in the Soviet Union. The failure of the coup d'etat and the victory of the democratic forces in our country influenced the views of the mujahetdin. They saw in these events the possibility of overthrowing the Najibullah government by force, believing that all the aid being provided to Afghanistan by the Soviet Union would come to an end. The intensity of the combat operations of the opposition groups escalated sharply. For our country, the time had come to make responsible decisions concerning the Afghan problem.

There is yet another problem which concerns the Soviet people. It is that of our soldiers who have been captured by the opposition. According to some estimates, there may be as many as 75 today.

A study of the history of the return of those of our compatriots already released makes it clear that some of them had escaped and some had been released as a result of the combat operations conducted by the Afghan Army or the Afghan Ministry of State Security. Most of them, however, were released in exchange for the 20 to 25 noted opposition leaders being held by Najibullah. Under the conditions of war, the holding of Soviet prisoners of war by the mujahetdin constitutes a very valuable asset which can be traded for any commander captured in the field.

Naturally, the mujahetdin could release one, two, or seven of our compatriots today in connection with the visit of the mujahetdin delegation to Moscow, thus obtaining political dividends. However, we must realize that as long as there is war in Afghanistan, the mujahetdin need our boys as a sensitive pressure point to be used against Moscow and Kabul.

Nor should we forget that it is not only Soviet, but Afghan mothers, as well, who are waiting for their sons to come home, for Afghan soldiers are sitting in the same pits as our boys, and many captured mujahetdin are in the Puli Charki jail near Kabul, along with the military personnel of the Pakistani Army detained on Afghan territory. A reciprocal exchange of prisoners should be organized, based on the principle of "all for all." However, this is only possible within the framework of an all-Afghan settlement.

Issues for Mujahidin-Moscow Talks Assessed

92UF0204A *Moscow TRUD in Russian*
12 Nov 91 p 3

[Article by TRUD political observer V. Snegirev: "Is Peace With the 'Irreconcilables' Possible?"]

[Text] Yet another stereotype of those which even yesterday seemed unshakable has collapsed. A delegation of Afghan mujahidin has arrived in Moscow. High-ranking representatives of Islamic parties and movements who headed the "jihad" against our military presence across the Amudarya, sworn enemies of the Kabul which we

support, a thousand times cursed and exposed by our press as "accomplices of imperialism," have now been invited quite officially by the Soviet leadership for negotiations. And despite certain statements which they made prior to departure, rather reminiscent of an ultimatum, it is expected that the dialogue could encompass a wide range of issues—from the fate of our POW's through problems of a political settlement and the future state arrangement in Afghanistan.

Following the 1978 April revolution, when a group of radical Afghans ousted the M. Daoud regime, which was friendly toward us and quite liberal, doing away with the president himself, members of his family, and his closest associates, the Kremlin, tempted by the pro-communist incantations, which were close to it in spirit, immediately recognized the new authorities and then did everything to help them last up to the present day. The occupants of the Ark Palace in the center of Kabul, fenced in by fortress walls—Taraki, Amin, Karmal, Najibollah—have changed. The name of the ruling party is different. Our forces have come and gone. But the basic principle of the Soviet approach to Afghan affairs has remained for a long time unshakable: For us there was only one partner in the person of the "legitimately elected president," and all our relations were built with him and only with him.

True, Najibollah may be given his due: In recent years his strategy has changed significantly in the direction of a search for political compromise with the opposition and the renunciation of the ideologization of state power in favor of national, tribal and religious traditions. It is this, I believe, not only the large-scale military assistance from the North, which has helped Kabul hold out following the withdrawal of Soviet forces in February 1989.

Nor should the changes which have occurred in the structure of Afghan society in the 13-plus years be discounted. Thousands of people, among whom there are many convinced enemies of Islamic fundamentalism, have served and continue to serve the regime in different roles, and they have something to lose and they will, as the Jalalabad engagement showed, fight to the last, for their lives are at stake. Many of these people, incidentally, acquired their education in the USSR, and it was we who made them what they are....

Does this mean that the "big brother" is now betraying his allies? First our leadership, having secured an appropriate promise from the Americans, announced the termination as of 1 January 1992 of all military supplies to Kabul and is now sitting down at the negotiating table with representatives of the opposition. Betrayal? Why, then, has Najibollah himself in his recent interviews in fact supported Moscow's new policy? He is in a difficult position, of course, and, like any politician, he will hardly say what he is thinking. But when Najibollah maintains that he is prepared to agree with all initiatives geared to a political solution of the Afghan problem and

that, if democratic and free elections were held, he would "submit to the will of the people," I am inclined to believe him.

The readiness to abandon military injections and begin a dialogue with the mujahidin reflects not the personal ambitions of Gorbachev or Yeltsin, Pankin or Kozyrev, but the changed political realities in our country and the world, which is evidently understood by the present Afghan leadership also. Kabul is, most likely, simultaneously feeling exasperated and offended and afraid for its future here. Perhaps.... Although the experience of Afghan history has many times punished those who have attempted on the basis of conventional standards to approach an evaluation of the events occurring there or who have, even more, ventured forecasts. We recall the recent discomfiture connected with the return home of Soviet forces, when practically all of our and foreign observers and leading Afghanistan experts predicted the fall of Najibollah as soon as our last column left the Afghan capital.

Now the military and political situation on the spurs of the Hindu Kush appears barely less confused than three years ago. Najibollah and his supporters control, as before, only the centers of the provinces and a small number of districts. The mujahidin are, as before, avoiding major engagements, preferring the tactics of ambush and shelling. One has the impression that both are waiting for something. In this time the opposition has recorded to its credit only one pronounced success: following a very long siege, which had lasted essentially since the start of the 1980's, it took the city of Khost. But the mujahidin have been unable either to avail themselves of the airfield there or develop this victory for a further offensive or even derive any appreciable propaganda benefits. Serious disagreements within their own ranks remain the main redoubt for them, it would seem. It is an actual fact that in certain areas of Afghanistan the Islamic guerrillas are engaged in a struggle not so much against regular forces of the current government as between themselves. And the present visit of their representatives to Moscow had been postponed several times only because the mujahidin simply could not reach agreement on who would head the delegation. Following bitter argument, three of the seven parties constituting the coalition turned down the trip to the USSR altogether.

The doubts of Najibollah, who in the event of his departure from the arena fears a "political void," increased fratricidal strife, and chaos, would appear to be not unfounded in this connection. Nor can it be ruled out, what is more, that, aside from the rivalry of the "irreconcilables" and the "moderates," there will in the future be an exacerbation of the national-ethnic factor also. Particular significance has always been attached to the genealogy of one person or the other in Kabul's corridors of power. And the fact that theology professor B. Rabbani, leader of the "Afghanistan Islamic Society," who is heading the delegation which is visiting us, is a Tajik, and H. Gulbuddin [name as published], who has refused to take part in the negotiations in Moscow, is a Pashtun should also be taken into consideration. As also the fact that it is generally acknowledged

today that Gulbuddin, leader of the most fundamentalist of all the parties—the “Islamic Party of Afghanistan”—is stronger than the others militarily and the most intractable politically.

It is anticipated that at the table of the Moscow meeting the guests could advance the demand for billions in reparations for the damage caused Afghanistan by the Soviet forces. Who will pay them if the coffers are bare and the former Union no longer exists? A counterproposal concerning a willingness to render our neighbors as much economic assistance as is within our capabilities, regardless of the kind of government in Kabul, will, possibly, be heard from our side.

In a word, nothing promises easy negotiations. There is on their agenda a question which the Soviet side will surely try to make a priority. It concerns the fate of our POW's, who are still being held by both field commanders of the opposition and the headquarters of the Afghan guerrillas on the territory of Pakistan and Iran (although their governments deny this fact). In the opinion of our officials, the problem of the POW's cannot be seen in the context of the overall settlement process. It is not a political but a humanitarian question, which, as is now regretfully acknowledged, should have been raised with all due emphasis back at the time of the Geneva accords. Alas, time is not on our side, and it is now for various reasons becoming increasingly difficult to get our boys released. Many field commanders are shamelessly using them as trump cards in their bargaining with Moscow and Kabul. The method of ransoming prisoners or their exchange for some number of guerrillas captured by the government forces, which has been the practice, does not seem constructive. If things continue at this so leisurely pace, many mothers will have a long wait yet for their sons to return from the war.

This concern is shared today not only by the Soviet public. The role of committees for the release of POW's which exist in the West is well known. The UN secretary general recently stated his desire to contribute actively to the release process. It is logical to assume that at the negotiations which have commenced both parties, having taken some important steps to accommodate one another, will decide in principle the question of those unfortunate young men (how many are they—100, 200, more?), who almost three years after the departure of the 40th Army still cannot return to their native parts.

Answering journalists' questions on Sunday at Sheremetyevo Airport, B. Rabbani agreed that he and the members of the delegation he heads were “interested in a solution of the problem of the prisoners.”

The bearded ones, arrayed in Afghan national dress, were yesterday received by Russian Vice President A. Rutskoy, who once commanded an attack aviation regiment in Afghanistan. Today the program of the visit anticipates the start of the mujahidin delegation's official negotiations with the foreign ministers of the Union and Russia.

Views on Prospects for Soviet-Indian Ties Reported

92UF0232A Moscow PRAVDA in Russian
18 Nov 91 p 5

[Report by New Delhi PRAVDA correspondent V. Baykov: “Let Us Not Lose What We Have Accumulated”]

[Text] A mark of the times: Soviet republics, only recently within the “single and indestructible” state, are now, one after the other, emerging in the international arena as sovereign states. This “parade of independences” is leading not only to understanding, but also to a certain concern in the capitals of many countries, including New Delhi, the capital of India.

As they watch the breakdown of the northern giant, local political and business circles are asking questions, such as how to live without the Union? With whom should they now maintain the previously established contractual relations? Who will be the partners in such relations? The future of Indian-Soviet relations remains unclear, the newspaper THE HINDUSTAN TIMES has written.

Yet over the course of decades, India had in the USSR a reliable ally in the international arena and its most important economic partner. Consider trade. The system for settling accounts was based on the rupee, which was mutually profitable. A great variety of consumer goods and foodstuffs such as tea, coffee, jute, tobacco, and so on, were shipped to the Soviet Union. In turn, India purchased up to four million tons of crude oil, about two million tons of kerosene, fertilizers, paper, metals, and so on. Reciprocal trade, based on the rupee, came to as much as 90 billion rupees per year.

In the military area as well, Soviet-Indian cooperation developed. The Indian Armed Forces were essentially equipped with weapons and ammunition of Soviet origin.

Now, THE HINDUSTAN TIMES indicates, due to the breakdown of the Soviet economy, the USSR is unable to fulfill its obligation to supply a number of the most important commodities and spare parts for military ordnance. In the final account, this will force India to purchase such items from third countries, and the ruble-rupee system will collapse.

Not only will India suffer, but so will the Soviet partner, to an equal extent. It too will be forced to purchase the Indian goods it needs with hard currency. Furthermore, Moscow risks losing a market for its military ordnance, which it finds so profitable.

New Delhi realizes that the relations with the individual republics cannot replace the relations with the Soviet Union as a single state. On the other hand, however, the sovereignty of the individual parts of the USSR is already a reality which New Delhi is taking into consideration.

When an official representative of independent Turkmenistan arrived in India soon after the August putsch,

the SUNDAY REVIEW reacted to the event with a harmless caricature: a high official at the Indian Ministry of Foreign Affairs was shown looking closely at a map of our country:

"How many sovereign entities with which we shall have to establish diplomatic relations do they have?" he asked his assistant. The assistant began to list the 15 republics, 16 autonomous republics, 14 autonomous oblasts, etc.

"Enough, enough," the high official interrupted. "How can we produce that many ambassadors?"

A joke is a joke, but the problems facing India in connection with the processes occurring in the USSR are by no means jocular. According to THE HINDUSTAN TIMES, not a single diplomat within the Indian Ministry of Foreign Affairs is familiar with even one single language spoken in the republics of Central Asia or the Caucasus. No specialization in depth in any USSR region had been organized, and only specialists in dealing with the single Union were available. Now this is a hindrance to the study and evaluation of the situation of, let us say, Tadzhikistan and Uzbekistan, at a time when contact must be established with each republic separately.

However, the initial steps are already being taken in this direction. Recently, a delegation representing India visited the Central Asian republics.

In the immediate future, yet another delegation will arrive in Moscow for talks with the Russian leadership. Incidentally, it was Russia that traditionally accounted for most of the Soviet exports to India. Its share was approximately 60 to 70 percent of the total bilateral trade volume. It is hoped in New Delhi that the same output volumes will be retained in the trade protocol which is to be signed between Russia and India for 1992, and is now being prepared for initialing.

The belief is being expressed in New Delhi that a great deal of the tremendous experience acquired over the course of

decades of close Indian-Soviet relations in politics, economics, defense, and trade can be preserved, even in times so confusing for the Soviet partner. "The end of the Cold War," I. Gujral, former Indian minister of foreign affairs believes, "in no way reduces the importance of Indian-Soviet relations. Taking the geostrategic importance of this area (meaning the territory of the Union—V.B.) into account, our diplomacy must follow the development of events in its vast areas closely, and must formulate a policy which will guarantee our presence there."

But doesn't the geostrategic importance of the Indian subcontinent also dictate the extent of our own presence in India?

Envoy Comments on Planned Staff Cuts at Embassy in India

*OW1611055691 Moscow INTERFAX in English
1715 GMT 15 Nov 91*

[From the "Diplomatic Panorama" feature; following item transmitted via KYODO]

[Text] The Soviet ambassador to India, Anatoliy Dryukov, has stressed that there are good reasons for the planned cuts in the USSR's foreign embassy staff. In a conversation with DP's [Diplomatic Panorama] correspondent he underlined the need for a discretionary approach to the cuts, whereby the main criterion ought to be the priority value of relations with a given country. The overall aim of the process, said Mr Dryukov, should be to ensure greater efficiency and productivity in embassy work. The extent of cuts affecting the Soviet embassy in India is as yet undecided, according to Mr Dryukov, but a decision is to be taken very soon.

The diplomat commented that the Soviet embassy in India is most eager to see Russia, Ukraine, Belorussia and Kazakhstan sending their own representatives to Delhi as soon as possible, as these republics form the backbone to Soviet trade and economic cooperation with India. This does not, of course, mean that other republics will not also be entitled to representation, as is indicated by the fact that the Turkmenian representative has already begun work.

Soviet Employment Prospects in RSA Viewed; Full Ties Urged

92UF0169A Moscow LITERATURNAYA GAZETA
in Russian 30 Oct 91 p 4

[Article by Yuriy Sigov: "Will Our People Live Well in the RSA?" Dateline: Johannesburg, Pretoria, and Moscow.]

The Whites Are Happy With Their Lives

The majority of Soviet people have an image of the Republic of South Africa (RSA) that is unchangeable in its association either with bloody clashes of two opposing black groups, the African National Congress (ANC) and "Incat" (it is these groups which are shown day in and day out on our television), or whites living in luxury, having amassed their riches thanks to the free labor of black Africans. Despite all that, our citizens, who dream of living in the southernmost part of Africa, are of course interested in the lives of white South Africans, and their working and everyday living conditions. I shall leave aside the major political problems tied to events in today's RSA and shall try to give a "picture" of the life of an ordinary white South African family.

During the time I stayed in the Republic of South Africa, I had the opportunity to live with many families representative of the middle and well-to-do class of Afrikaaners, the original white settlers of the RSA, descendants of Dutch immigrants. By our standards they really do live in luxury (incidentally, they are envied not only by former inhabitants of Eastern European countries who have immigrated here now in large numbers, but also by Germans, English, and even Americans). As a rule, each family has its own 7-8 room house, a small garden, swimming pool, an automobile for every adult in the family, and without fail, a permanent live-in or "commuting" servant to take care of the house.

Of course there are also "poor whites" in the RSA, but they are not at all poor in our understanding of the word, that is, people who are destitute, homeless, and have nothing to eat. These, if I may call them "poor people," live in state-owned multi-storied buildings or in small rented cottages. They have "only" one automobile per family, and they can permit themselves one vacation every two years on the island of Mauritius in the Indian Ocean (the "rich ones" in the RSA prefer to rest in the resort areas of Capetown or Durban).

I emphasize once more that this is how the "average" whites live here. Thus, in principle, after a certain period of time, immigrants from Eastern Europe who have good working qualifications can live like that, too, if they wish to settle in the RSA for good or work there for a while. The non-white population, on the other hand (there are over 30 million of them, out of a total of 36 million people) for the most part lives in much worse conditions, essentially does not have access to education and, consequently, to leading positions in the government, agriculture, and industry.

As in any civilized European country (sometimes the RSA is compared to Holland, moved to the shores of the Indian and Atlantic Oceans), there is everything or nearly everything. This is the only country on the continent (plus neighboring Zimbabwe) which is not only totally self-sufficient in agricultural production (the RSA has only 4 percent of the arable land in Africa), but also exports these products in significant quantities. Local stores have food products of all sorts and kinds, the best quality imported and locally made clothing, and the most popular automobile models in the world (they are produced by licence in the RSA itself).

All this can be acquired not just before retiring on a pension after having saved a little money during your whole life, but at ages 28-30, by taking a government loan on favorable terms. It is this factor that is most responsible for attracting new immigrants who are now aspiring to resettle in the Republic of South Africa.

You Can Go To The RSA From The USSR, Too

"Let people in the Soviet Union not think that we are ready to receive them in our country just because of the white color of their skin," I was told in Pretoria by a representative of the Council for Selection of Immigrants, which is under the Ministry of Internal Affairs of the Republic of South Africa. "The time for preserving the purity of our scientific and intellectual personnel is over. It stands to reason that we will welcome "fresh minds" and "able hands" from abroad, but in order to become a South African one has to meet specific requirements."

Immigrants with higher educations in professions such as law, philology, journalism, and philosophy have, for all practical purposes, no chances of being hired in the RSA. Exceptions are made only for those who have diplomas from prestigious Western institutions of higher education. Local persons are relied upon for the main part; however, if the head of some university or research center in the RSA would want to invite a Soviet scientist on a contract basis, he would have to prove to the Ministry of Internal Affairs the "uniqueness and geniusness" of the candidate, and also prove that no local RSA resident could do this kind of work.

As I was told officially in the Council for Selection of Immigrants, experienced certified engineers, experts in mining industries, computer experts, programmers, and nuclear physicists have a good chance today to obtain work in the RSA.

What then is a realistic method for a Soviet citizen who wants to go to the RSA to work? First of all, you have to apply to one of the RSA's embassies in a country such as Austria, Great Britain, or Finland. It is preferable to do this in person, so that a special form may be filled out that gives you the right for temporary or permanent

residence in the RSA. The application has to have complete information about your own family and relatives, and justification given as to why you want to move to the Republic of South Africa.

This application has 16 documents attached to it, translated into English and certified by an international notary (certificates of marriage, date of birth, and health, recommendation from the last employer, statements of guarantors - prominent people who know you personally, declaration of income, etc.).

Fluency in English or the Afrikaans language - a mixture of Dutch and German - is very important for potential "candidates to become South Africans."

Only after a comparison is made between the application forms and list of available positions in the RSA will the other documents be looked at. Most of the candidates are dropped at this point because they cannot supply all the necessary documents and also verify the high degree of their professional training.

After this, the completed application forms are sent to the RSA Ministry of Internal Affairs, which has the right to turn down any applicant without having to give a reason. Applicants are usually weeded out for reasons of unreliability, for concealing information about themselves, for unwillingness to go into a new profession in the RSA, or for refusing to work in the RSA in their own professions. If, after all this, a person receives permission to work in the RSA on a specific contract, he is faced with a number of restrictions.

First of all, for a period of three years he does not have the right to work in a speciality other than the one to which he had agreed in advance. Violation of this condition will lead to an immediate expulsion from the country. The government of the RSA, if it is interested in the specialist who was invited, will pay 75 percent of his transportation costs, as well as organize free courses of the Afrikaans language for such people. If, on the other hand, the foreign specialist working in the RSA on a contract basis does not justify the expectations placed on him, he can be moved out of the country together with his family at RSA government expense or at the expense of the person who invited him.

And furthermore, our citizens, hoping to go to the Republic of South Africa to work for a while and then, having saved some money, return home, should take into account the fact that now, during the period when the obsolete apartheid organizational structures are being replaced by new ones, the RSA is extremely interested in a flow of people with high professional qualifications exclusively for permanent residence and not in "temporary types." This is tied to the fact that a "temporary" person in the RSA will work only for "long rands," and if an unstable situation arises in the country he will return home immediately (it is for this reason, incidentally, that Afrikaners do not much like the English, who live in South Africa for decades but do not become local citizens and keep their blue British passports).

And Still, There Is Not Too Much Politics

Recently, one of the officials from the Committee of Solidarity of the Countries of Asia and Africa tried to frighten Soviet citizens who wished to go to the RSA. In a newspaper article he wrote that they would have to "plow the earth like blacks," until they "sweat their guts out." In connection with this I want to note that the South Africans themselves never calculated the results of completed work by the number of blows of a sledgehammer against a concrete cube. Labor that is respected there consists of using the least resources in the shortest possible time to get the job done. To "work like a black" means, essentially, that you were not taught to work with your head. And from this stems the attitude that the whites around you have toward you.

For this reason, those of our "candidates to become South Africans," who are used to working either more or less right or on the contrary, to imitate a flurry of activity in the presence of higher-ups, had better not count on an idle life in the RSA.

Has anyone from our country been successful in already finding a job in the RSA? Several persons are working on a contract basis (in particular, not so long ago, A. Mikhachchenko, a Soviet ballerina, took part in visual arts presentations in Pretoria), for the most part teachers and research specialists. Around 1,000 persons - former Soviet citizens - moved to the RSA in the last few years, mostly from Canada, Australia, and Israel.

Probably the only obstacle standing in the way of removing all barriers for relations between the Soviet Union and the Republic of South Africa is the striving of our official circles today to "sit simultaneously on two chairs" as before, i.e., to develop cooperation with the government of F. de Klerk and at the same time keep looking back at decisions to accept representation of the ANC and the Communist Party of South Africa, which over a period of many years had the role of a peculiar "shadow embassy" in Moscow.

On the whole it is probably time that we stopped looking at the RSA in some sort of "monochromatic" color. The Republic of South Africa today is saturated with serious social problems. All the aftereffects of the apartheid policy that had been conducted for many years have not been removed and the country will have to overcome major difficulties on its way out of a long international isolation. All the same, the RSA is an ordinary, normal state with which our country long ago should have established full diplomatic, political, economic, and cultural relations.

Soviet Role in Mozambique Settlement Urged

92UF0210A Moscow PRAVDA in Russian 9 Nov 91 p 5

[Report by I. Tarutin: "But We Remain Silent—A Settlement in Mozambique Is Beginning Without Soviet Participation"]

[Text] Harare, 8 November—The United States has expressed a readiness to assist in the search for a peaceful settlement in Mozambique. Washington will associate itself with the efforts to halt the civil war in this country should it receive a corresponding request from the immediate parties to the conflict, declared Jeffrey Davidow, deputy assistant U.S. secretary of state for African affairs. He visited Rome, where he met with representatives of the Mozambican Government and also had lengthy talks with A. Dhlakama, leader of the subversive Renamo group.

It and the central authorities are conducting negotiations in the Italian capital with the mediation of the Catholic Church and Italian diplomats. But the latest round is now deadlocked because of disagreements over procedural matters. The dialogue began quite some time ago, but there have been no decisive changes yet nor has the bloodshed been halted.

Besides the Americans, Portugal, Mozambique's former colonial master, is offering assistance also. It points out that it is well acquainted with local specifics and has the experience of achieving peace in Angola. It has even been proposed that the negotiations be transferred from Rome to Lisbon.

Against the background of such activity one notices the passiveness of Soviet diplomacy. Yet for many years we were closely linked with Mozambique and still have interests there, even if you only take the problem of its debts to us. Association with the efforts to achieve peace would require of us no material investments and would increase our moral capital. Participation in the decolonization of Namibia could serve as a good example here. The Soviet Union has already lost many of its former positions in Africa, to which our own difficulties objectively led. But even in instances where we might play a pronounced part, restoring our faded prestige, we prefer to remain silent for some reason or other.

Ministry Comments on Detained Boat Captain

92UF0237A Moscow IZVESTIYA in Russian 20 Nov 91
Union Edition p 4

[Report by G. Charodeyev: "Soviet Captain Faces Prison Because Our Country Does Not Have Legal Assistance Agreements With African Countries"]

[Text] IZVESTIYA (No. 272) reported that Soviet Citizen N. Levin, captain of the vessel Frio Indianic arrested on an Interpol warrant, has been in a Congolese jail for more than a month now. He is accused of attempted manslaughter of five Africans. N. Levin categorically denies these allegations. In accordance with local laws, the captain is facing a long prison term... Here is the comment of the all-union Ministry of Foreign Relations (formerly the USSR Ministry of Foreign Affairs) on this situation in response to our request:

"According to information available to us, the charge against the captain is that on 3 October, having left the

port of Dakar (Senegal), he removed from the vessel, in the open sea, five Africans, one of whom later died. It is true that despite the captain's protest these persons had been placed on board the ship by Senegalese authorities, who maintained that the said Africans had illegally entered Dakar on the Frio Indianic from its previous port of destination. At this time, the captain is kept in the investigative detention facility in Pointe Noire. He is in good health, and is kept in normal conditions. The USSR Embassy in Brazzaville and our consulate general in the city of Pointe Noire are doing everything possible to ensure proper legal defense for N. Levin. Consulate representatives regularly (every two or three days) visit the prisoner. The last meeting took place on 14 November."

From the time of N. Levin's arrest, Soviet representatives in Congo and Senegal, in accordance with existing international practice, have been taking all the proper steps for this situation in defense of N. Levin's legal interests as a citizen. In addition to this, since the home port of N. Levin and the vessel's crew is Klaipeda, the Soviet Embassy in Congo regularly informs the Lithuanian Republic Ministry of Foreign Affairs of events, said the Ministry of Foreign Relations representative.

While confirming, on the basis of available information, the incident with the Dakar port authorities that illegal passengers ended up on board the vessel, the ministry nevertheless refrains from an evaluation of Captain N. Levin's actions. The situation is seriously complicated by the fact that our country does not have agreements on legal assistance with African states. Today, as the number of Soviet citizens traveling abroad—including Africa—is growing, this is becoming a major problem, to which appropriate judicial organs of sovereign states will have to pay proper attention.

Detained Boat Captain Unaided by USSR MFA

92UF0234A Moscow IZVESTIYA in Russian 16 Nov 91
Union Edition p 12

[Report by G. Charodeyev: "Soviet Captain Remains in African Prison; Why Does USSR MFA Not Act?"]

[Text] In its issue No. 255, IZVESTIYA reported that N. Levin, captain of the refrigerator-freighter Frio Indianic, had been arrested at Interpol's request in the port of Pointe Noire in Congo. He had been hired by the Greek shipping company Laskaridis. It is alleged that the captain had removed from the ship five Africans forced upon him by Senegal emigration authorities in the port of Dakar, and put them on a makeshift raft. As a result, one of them died, and the rest were rescued by Senegalese fishermen. Upon arrest, N. Levin was charged with attempted manslaughter of five people...

N. Levin has spent more than a month under arrest in a special detention facility of the port of Pointe Noire. Congolese authorities insist on extraditing him to competent Senegalese organs for investigation and punishment. Representatives of the Laskaridis company, a

French lawyer, and the port captain have arrived in Congo. They are trying to prevent the extradition of the Soviet captain to Senegalese organs and to free him on company recognizance.

Laskaridis representatives believe it possible to have N. Levin deported to the motherland. However, this issue has to be handled by the USSR MFA [Ministry of Foreign Affairs] representatives. As we learned from competent sources, our embassy in Congo does not show any interest in our compatriot; its consular division had promised Laskaridis to join in on the resolution of the problem, but so far has not taken any real steps. The USSR MFA central apparatus does not have reliable information on the incident, and therefore has not yet taken any real steps in determining N. Levin's future fate.

Who is supposed to help Soviet citizen N. Levin to return home? IZVESTIYA correspondent posed this question to an independent expert in international law, Professor K. Gorenskiy.

"It is, indeed, a complex question," he said. "N. Levin is formally on the personnel roll of the Klaipeda Administration of Maritime Shipping, but he is working under a contract with Laskaridis. The vessel itself is leased by the Greek company from the Soviet-British joint enterprise Rybkomflot. The agreement on operational management says that Laskaridis at its discretion hires and dismisses

the captain and other members of the crew—this relieves Rybkomflot from the legal responsibility for N. Levin's fate. However, by existing rules, only the USSR MFA may, on the basis of a request from the Klaipeda Administration, officially ask Congolese Government to extradite the captain. Our country and Congo do not have an agreement of legal assistance in civic and criminal matters that would have regulated extradition issues. At the same time, this needs to be done immediately, before the court issues an indictment (if, of course, N. Levin is to stand trial). Otherwise, the extradition of the Soviet captain will be more difficult and may take several years. If proven guilty, N. Levin faces a lengthy prison term in accordance with Senegalese law, or, by our law, up to two years in prison."

[begin bold]In the eleventh hour.**[end bold]**We received a report from Congo that the efforts of all involved organizations and persons in Brazzaville to free Captain N. Levin for all practical purposes have failed. The local judge said that they received a warrant from Interpol to hand N. Levin to Senegalese investigative organs. On his part, the IZVESTIYA correspondent was able to find out that at this point the Soviet consular administration in Congo is unable to help the Soviet citizen in trouble—they do not have "instructions and authorization from Moscow to get involved in this matter," said our diplomats.

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